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# Senate

The Senate met at 9 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

God of our going out and coming in, give us Your wisdom to know what we should do.

Deliver us from the cowardice that runs from the truth.

Deliver us from the lethargy that will not learn the truth.

Deliver us from the prejudice that will not see the truth.

Deliver us from the stubbornness that will not accept the truth.

Deliver us from the pride that will not speak the truth.

Strengthen our Senators today to do Your will. Give them the courage to make bold ventures for Your glory. We pray in Your holy Name. Amen.

## PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## RESERVATION OF LEADER TIME

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

## DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005

The PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 1932, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1932) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95).

The PRESIDENT pro tempore. Under the previous order, the time until 8 p.m. shall be divided between the Senator from New Hampshire, Mr. GREGG, for 4½ hours and the Senator from North Dakota, Mr. CONRAD, for 5½ hours.

RECOGNITION OF THE MAJORITY LEADER

The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning we will immediately resume debate on the deficit reduction package after a brief statement I have to make.

Chairman GREGG opened debate on the bill yesterday and will be here managing the bill this morning. Last week we entered an agreement which divided the statutory time limit between 3 days, with all time expiring on Wednesday at 6 p.m.

During today's session, Senators will be able to offer amendments. However, votes on those amendments will be stacked to occur at a later time. I will be working with the Democratic leader to determine the best time for those votes to occur. I had hoped that we could dispose of some of the proposed amendments with votes during today's session. However, at this point, we have several scheduling conflicts, and we may have to delay those votes until tomorrow. On Wednesday, we have several Members attending the funeral of Rosa Parks, and we will need to schedule votes to accommodate that service as well.

Having said that, this will be a very busy week. Senators will be able to offer amendments after the expiration of time and that leads to the so called vote-arama. I encourage Senators to offer their amendments during the debate period so that we can limit the amendments considered after time expires.

I do not believe the vote-arama is the most constructive use of the Senate's time, and I believe most Members are frustrated with that process—at least halfway through the vote-arama, as they express that frustration directly to me and leadership. During those consecutive votes, the Senate votes on amendment after amendment with very little time and little explanation of the amendments.

So I hope we can do it in an orderly process over the next several days. I do want Members to come to the floor early so we can show some restraint when the 20 hours of debate time is complete.

Finally, I want to remind everyone that we will be considering the appropriations conference reports as they arrive from the House. Once the House has completed action and those conference reports become available, we will address them. We have the Agriculture appropriations conference report already, and we will be scheduling that for a vote sometime this week.

AVIAN FLU

Mr. President, on another issue, I want to make a few comments. Shortly, the President will begin to unveil his plan to prepare the Nation against the threat of bird flu or avian flu, a potential for initially an epidemic and then pandemic nobody was thinking very much about a year ago.

I do thank the President for his bold and decisive leadership. He recognizes the urgency for our Nation to take immediate action to prepare for and to prevent the spread of such a pandemic and the impact it would have on this Nation and, indeed, nations throughout the world.

Last night, the Secretary of Health and Human Services began briefing people on the plan that will be laid out by the President today. He has been discussing in meetings over the last several weeks the importance of comprehensive organization at all levels of Government. It is not just a Federal issue or a State issue or a local issue, it is all three. The vertical integration of communication and response and preparedness is complex, but it is something that we absolutely must address. We would have to mobilize from

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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the very top vertically at the Federal, State, and local level in ways that we never had to in the past.

The Secretary explained at the National Press Club last week all of this using the analogy of a dry forest, that it takes only one little spark to set a fire in a forest, and if we are close to where the spark ignites, usually you can just stamp it out. But if it is allowed to spread and it really goes beyond any size that can be contained, that whole forest is left in smoldering ruins. I would simply add to that analogy that in a forest you could have many different little sparks which aggravate and increase the challenges to the system itself. If you can isolate those sparks or that spark very quickly, you can stamp out that potential for a pandemic, and ultimately you can save millions of lives. That is why it is absolutely critical we think of the response, of preparedness in this country. Indeed, this is a global challenge, and we have to work with our partners throughout the world.

In fact, if you had to look at the likelihood of a pandemic and how it starts, it would probably be in Asia or Southeast Asia, and therefore we have a real obligation to address concerns in this country as well as around the world.

In the Senate, we are working hard to develop a comprehensive prevention and preparedness plan. We have now passed two separate measures to increase the national stockpile of vaccines and the antiviral drugs, drugs like Tamiflu. This month the HELP Committee, the Health, Education, Labor, and Pensions Committee, passed a measure to protect vaccine makers from the frivolous lawsuits that we absolutely know discourage vaccine production and which, in part, has explained why we have gone from several dozen vaccine manufacturers in this country down to fewer than a handful. The bill that the HELP Committee has addressed and passed out of committee also establishes a Biomedical Advanced Research Development Agency, called BARDA, which would support this bug or identifying what the etiology is, the bug that starts it, all the way to creating a drug.

This agency, BARDA, would focus on the gaps that exist in the system today. The agency would help researchers move from egg-based vaccine manufacture—and right now for the avian flu you depend on millions and millions and millions and millions and millions of eggs to grow this vaccine, and today it does not make sense because you can with the appropriate research target and focus, develop a cell manufacture that doesn't require any eggs, that you could ramp up very quickly, in a short period of time, and you don't have to worry about, yes, we are going to have to have an egg-based vaccine, so where are all 20, 30, 40 million eggs, chicken eggs, that you need to cultivate this vaccine for weeks and weeks and weeks?

It is the sort of effort that BARDA would focus on to incentivize, to fill this gap in our system today.

In the 20th century, we have seen three outbreaks of avian flu, avian bird flu. The worst of those occurred in 1918. A lot of people have gone back to read about that Spanish flu. It is called Spanish flu, though it probably started in this country in Kansas. Half a million Americans died, somewhere between 40 and 50 million people worldwide. And the people say why this bug, why this drug, why does it have to be, why do you have to narrow that window and speed things up? If you look back on the Spanish flu, in 24 weeks' time, more people were killed in the world than have been killed by HIV/AIDS in 24 years. In 24 weeks, more people died of the avian flu than in 24 years of HIV/AIDS. Speed, efficiency, appropriate research and development, appropriate vaccine production needs to be done rapidly, quickly.

Secretary Levitt warns that if the past is a prologue, we are long overdue for a pandemic. If you look throughout history at pandemics, you cannot only look at it on a regular basis but a periodic basis. Worse yet, the current virus looks and acts more like the virus of 1918 than any of its other cousins that we have seen to date—if you come back and analyze H5N1 and you compare it to the virus of 1918.

So what do you do? Americans look for leadership, look for bold leadership, and we are seeing it from the President of the United States. I pulled off my desk, as I was coming over, last month's National Geographic, which asks the question: ''The next killer flu:'' And over in little letters here it says, ''Can we stop it?'' ''The Next Killer Flu: Can we stop it?'' And the answer to that is, yes, we can, using technology for research, bold leadership, Government resources, private sector resources.

We know that H5N1 is spreading. Romania reported two bird cases yesterday. Last week, Indonesia and Thai authorities reported new cases of bird-human transmission. To date, avian flu has infected more people and more poultry than any previous strain. In fact, over 160 million birds have either died or been killed because of this avian flu in the last year.

Since 2003, there have been 121 people confirmed to have avian flu and half of them have died, 61 have died. That is a 50-percent mortality. The Spanish flu in 1918 had a mortality of about 2.5 percent—2.5 percent—and in this country, less than that. We are talking about a virus right now that has a mortality rate of 50 percent.

Last week, I met with Dr. Robert Webster, again, from St. Jude's Children's Research Hospital, which is in Memphis, TN. He is one of the leading authorities on H5N1. As he explains, there are 16 families of avian influenza. That virus mutates billions of times a day. It is constantly changing, which is why it is such a challenging opponent for us. And with each of these changes in this mixing bowl of the virus itself, the human-to-human transmission becomes more likely. If and when it becomes a pandemic, we have no natural immunity. That is the bad thing. It is not similar to the regular flu. If you have the flu one year and you get it next year, you already have some antibodies built up, but nobody in this room, nobody listening to me right now, nobody has any natural immunity to this. So when you get hit, you get sick very quickly, and of the people hit so far, one out of every two died. Again, panic and paralysis, even talking about it, people get so anxious.

The good news is there are things we can do in terms of prevention, preparedness, stockpiling, educating our first responders and that, indeed, is what the President will spell out. I look forward to hearing more specifically about the President's plan. I urge my colleagues to spend time studying the issue.

There is absolutely no reason to panic, but we do need to be prepared, and today we are underprepared. Indeed, we have no higher duty than to protect the health, the well-being, and the security of the American people.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from North Dakota.

Mr. CONRAD. Mr. President, the subject under discussion is the matter before us entitled the ''Deficit Reduction Omnibus Reconciliation Act of 2005.'' Big words that are meant to communicate, but it reminds me a little of the old saying: You can't tell a book by its cover. If there was ever a case of that, this is it. You need to know that this is a book of many chapters. We need to read all of the chapters to know the conclusion. I can assure you the conclusion is not deficit reduction. No, this budget has nothing to do with deficit reduction. This budget is all about increasing the debt and increasing the deficits.

Describing this package as deficit reduction is a little like the blindfolded man describing an elephant by only touching its tail. The blindfolded man might describe the elephant by just holding its tail as small, long, and slick. Well, that is not the whole story. That is an accurate description as far as it goes, but it misses the larger truth. That is the case with describing this budget action as deficit reduction. It is only the first chapter. You have to read all of the chapters to get the full meaning. The truth is, this budget increases the deficit and explodes the debt. That is the larger truth.

The budget that was enacted earlier this year actually increases the deficit by $168 billion over the 5 years of its life. It does not reduce the deficit. It increases the deficit. We would have less of a deficit if we put the whole budget on cruise control, but that was not the choice the majority made. They made a choice, consciously, to

write a budget that, even in the face of record deficits and massive increases in debt, increases the deficits even further. I know it is hard to believe, but that is the fact of the matter. The budgets that have been written by our colleagues on the other side of the aisle increase the deficits.

Budget reconciliation is a part of the overall budget process. Budget reconciliation is special provisions, fast-track provisions that enjoy special protection under the rules of the Senate. But remember, what we are dealing with this week is the first chapter. The first chapter contains spending cuts of $39 billion. But that is only part of the package. The next chapter will have tax cuts of $70 billion. If you put those two chapters together, you don't have a reduction of the deficit, you have an increase in the deficit of over $30 billion.

Chapter 3 is the chapter our colleagues on the other side of the aisle hope you will not read. Chapter 3 increases the debt of the country by $781 billion. That is what this book is all about: increasing the debt of the country when we have already taken on record amounts of debt.

Back to chapter 1 and chapter 2. Chapter 1 cuts spending by $39 billion, but it is quickly followed by chapter 2 that cuts taxes $70 billion. The combined effect of chapters 1 and 2 is very clear. It is not deficit reduction, not what is on the cover of the book; it is a deficit increase, an increase in debt.

If we go back to what the President told us when he started us down this course, he told us in 2001:

> [W]e can proceed with tax relief without fear of budget deficits, even if the economy softens.

That is what he told us. Look at what has happened. Now we can look back and we can check the record and we can see whether the President was right or was he wrong.

Back at the time in 2001 that the President proposed these massive tax cuts, this was the outlook according to the Congressional Budget Office and the administration. This was their outlook going forward, a range of possible outcomes from a worst-case scenario to the best-case scenario. They adopted the midline that told us we were going to experience some $6 trillion of surpluses over the next 10 years.

But look what happened in the real world. Look what happened in actuality. We didn't get the worst possible outcome under the projections that were provided. We got way below the worst possible outcome. This red line is what actually happened compared to the projections, and instead of trillions of dollars of surpluses, what we have are trillions of dollars of debt.

I can remember when we were having that debate. My Republican colleagues told me when I warned them that you can't bet on this 10-year forecast, that it is highly unlikely to come true, many of my Republican colleagues told me: KENT, you are far too conservative. Don't you understand, when we have these big tax cuts, we are going to get even more revenue. We are not going to be at this midrange of forecasts of possible outcomes; we are going to be well above it because these tax cuts are going to generate much more revenue.

Again, now we can go back and check the record as to what actually happened. We did not get some great boost. Instead what we got was an ocean of red ink. Instead what we got were these massive deficits.

Previous Presidents have said that facts are stubborn things. Facts are stubborn things. And the facts are that this fiscal policy has taken us deep into the deficit ditch. Despite all of the President's promises that would not occur, he was simply wrong.

The next year the President told us:

> . . . [O]ur budget will run a deficit that will be small and short-term. . . .

We can go back and check the record on that as well. He said that in 2002. Look what has happened since. The deficits have exploded. In 2003, we had what was then the largest deficit ever. In 2004, the deficit got even bigger. In 2005, the deficit was the third largest we have ever had. So, again, the President was simply wrong in his prediction.

If we look at this from a historic vantage point and look back to 1980 and look at the outlays or spending of the United States and the revenues, we see some very interesting things. This is all expressed as a percentage of our gross domestic product, which is what economists say is the best way to make these comparisons because it takes out the effect of inflation and real growth. So we are comparing apples to apples here.

Look what has happened. This is the spending line of the United States. It was up over 23 percent of gross domestic product in the previous Bush administration. Then we got to the nineties, and the Democrats put in place a plan that led us to reduce spending, and each and every year spending came down as a share of GDP.

In 2000, we had a change of administration, and here is what has happened to spending. Spending has gone up. Spending has gone up, but it is still well below where we were in the eighties and nineties. These are facts.

Why did the spending go up? The spending went up largely for three reasons. One, national defense; two, homeland security; three, rebuilding New York and bailing out the airlines.

All of us supported on a bipartisan basis this increase in spending. This was in response, obviously, to 9/11 and a national emergency. So, yes, spending went up. Virtually all of it is accounted for by defense, homeland security, and rebuilding New York and aid to the airlines.

Now we are at a place where spending is at about 20 percent of gross domestic product. But look what happened on the revenue side of the equation. Again going back to the eighties, we were at about 19 percent of gross domestic product on revenue. We had a series of tax cuts then that opened up deficits as spending was not reduced to make up the difference. Then we got to the nineties and again we had a plan that was put in place. Revenue increased every year until we actually got to the circumstance in which we were running surpluses. For 2 years, we not only ran surpluses, but we stopped using Social Security money for other purposes.

Then in 2000, with the change of administration, a series of tax cuts was put in place, and we experienced an economic slowdown and the revenue side of the equation collapsed. Until last year, we had the lowest revenue as a share of gross domestic product since 1959. We have had an increase in this last year, but the forecasters are saying that will level out going forward as a share of gross domestic product, leaving us with this very large gap between spending and revenue and, hence, ongoing massive deficits. That is the reality we find ourselves in today.

The next year, in 2003, the President told us:

> [O]ur budget gap is small by historical standards.

I think if you measure it fairly, what you find out is that is not the case either. What the President has been focusing on is only the deficit. The deficit this last year was $319 billion, but that isn't what got added to the debt. What got added to the debt of the country was not $319 billion, it was $551 billion. The largest part of the difference is Social Security because last year, under the President's plan, $173 billion of Social Security money was taken to pay for other programs. That all gets added to the debt, but it is not counted in the deficit calculation.

When you add in those items that were not counted in the deficit, what you find is that the increase in the debt was, instead of the 2.6 percent that many have asserted, the actual difference between spending and revenue, the actual difference in addition to the debt was 4.5 percent of gross domestic product, and that number is a danger sign.

Most economists say your deficits should not be above 2.5 percent of GDP. The truth is, what got added to the debt last year was 4.5 percent of GDP. In the European Union, you cannot be a member in good standing if you run deficits in excess of 3.0 percent of GDP.

The big difference is what is happening with Social Security because back in the eighties, the deficits had almost nothing to do with Social Security. Social Security was running very small surpluses at the time. In fact, if you go back to 1983, there was no Social Security money to take to spend for other programs. There was no surplus in Social Security. But look what has happened since. Social Security surpluses have grown dramatically. This was intended, this was designed to prepare for the retirement of the baby boom generation. The whole idea was

to use these surpluses to pay down debt or to prepay the liability. That is not what has been done.

Under the President's policy, all of this Social Security money is being taken to pay for other programs. That is what is happening. All of it is getting added to the debt, all of it has to be paid back, and there is no plan to do it.

This is the difference between the eighties and now. In the eighties, almost no Social Security funds were available to be taken to pay for other items, now we have—just last year—$173 billion in that year alone.

Over the next 10 years, under the President's plan, they are going to take $2.4 trillion of Social Security money to pay for other things. That is a dangerous course.

Now, the President told us just last year:

> So I can say to you that the deficit will be cut in half over the next 5 years . . .

All of his assertions so far have been proved wrong. Now he tells us: Do not worry, we are going to cut the deficit in half over the next 5 years.

First, I do not think that is the appropriate test because we are in the sweet spot of the budget cycle. This is the time when we should not be running deficits at all because this is right before the baby boomers retire, and we are running these massive surpluses in Social Security. Those funds should have been used to either pay down debt or prepay the liability. Instead, the money has been hijacked. The money has been taken to pay for other things—digging a much deeper hole for the future. So when the President says the deficit will be cut in half over the next 5 years, that is not even the right test. This is not a time when we should be running deficits at all.

Beyond that, if one pierces the veil on the President's claim that the deficits are going to be cut in half, here is what they find out: He got there by just leaving out things. He just left out war costs, did not have any war costs in his budget past September 30 of this year. Does anybody believe the war costs ended on September 30 of this year? That is what the President's budget said.

He did not just leave out war costs, he left out the cost of dealing with the alternative minimum tax. The alternative minimum tax, which is the old millionaire's tax and is rapidly becoming a middle-class tax trap. It costs $700 billion to fix. The President just left that out of his budget.

The President wrote a 5-year budget instead of the 10-year budgeting that used to be done because at the end of the fifth year, the cost of his tax cut proposals explodes, driving us deeper into deficit and deeper into debt. Apparently, he did not want to share that information with the American people.

When one looks at the long-term outlook with those things added back in that the President left out, what one sees is a slight improvement in the deficit in the short term, but then it just explodes beyond the 5-year budget window. Why is that the case? Well, I have mentioned some of the reasons.

The first reason is war costs. In the mid-session review, the President had included $50 billion for ongoing military operations, but the Congressional Budget Office tells us that $50 billion does not begin to cover the real costs. They say the real cost is going to be $333 billion. So the President has left out a big chunk of spending that others say we will experience.

Second, by adopting a 5-year budget—it used to be 10-year budgets—the President is hiding this fact: The cost of his tax cut proposals explodes right beyond the 5-year budget window. Is this not interesting? This dotted line is the end of the 5 years of the budget proposal presented by the President. Look what happens to the cost of his tax cut right beyond the fifth year. The cost of the President's tax cut proposal explodes right beyond the end of the fifth year.

Maybe it should not be a surprise that the President switched from 10-year budgeting to 5-year because he would have had a very hard time explaining how his plan will reduce the deficit when factoring in the exploding cost of his tax cuts, the additional cost of war, and the cost to fix the alternative minimum tax.

By the way, the pattern is much the same with the alternative minimum tax. The alternative minimum tax, which virtually everyone says needs to be reformed, the President did not put one thin dime in his budget proposal to deal with that. According to the Congressional Budget Office, it will cost $774 billion to fix. The President does not have any of it in his budget.

Look at the pattern. Here again, the dotted line is the end of the 5-year budget proposal of the President. Here is the pattern of costs of fixing the alternative minimum tax. What happens if we do not fix the alternative minimum tax? Well, here is what happens: In 2005, 3.6 million taxpayers were affected. If we fail to act, by 2010, 29 million taxpayers will be affected. So people are in for a big surprise. They thought they were going to get a tax cut? Instead, they are going to get into the swamp of the alternative minimum tax: 3.6 million people affected this year, 29 million affected 5 years from now if we fail to act. It costs $770 billion to fix, and there is not one dime in the President's budget to do it.

Here is what the President said in 2001 about the importance of paying down debt. The President told us at the time:

> . . . (M)y budget pays down a record amount of national debt. We will pay off $2 trillion of debt over the next decade. That will be the largest debt reduction of any country, ever. Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren.

The President was right about one thing. We do owe that responsibility to future generations, but he did not pay down any debt. Instead, the debt has exploded. The budget that my colleagues on the other side of the aisle passed and the budget that we are moving to take final action on does not pay down any debt. It explodes the debt. It takes the debt from $7.9 trillion now, and it increases it by more than $600 billion a year each and every year of the life of this budget—this after the President told us he is going to have maximum pay-down of the debt. There has been no pay-down of the debt. He is exploding the debt.

Every minute in 2005, the budget policies of our colleagues on the other side of the aisle increased the national debt by over $1 million. Every minute of every day, they have increased the debt by over $1 million.

What are the consequences of this fiscal failure? The consequences are very clear. Foreign holdings of our debt have exploded. It took 200 years to run up $1 trillion of debt held by foreign countries and foreigners. This President has doubled it in 4 years. We have gone from $1 trillion of foreign holdings of our debt to $2 trillion. That is an utterly unsustainable course. That is the outcome of the fiscal policy of this administration. It is not conservative; it is reckless. This is a policy of exploding our debt.

Who holds this debt? Well, I might add it is interesting that President Bush did in 4 years what 42 Presidents took 224 years to do. Forty-two Presidents ran up $1 trillion of external debt. This President exceeded them in 4 years. This President ran up more debt held by foreigners in 4 years than the other 42 Presidents combined in the history United States. Let me repeat that. This President ran up more debt held by foreigners in 4 years than 42 other Presidents ran up in 224 years. That is a record of fiscal failure unmatched in the history of this country.

They call themselves conservatives? Why, they should call themselves borrowers because that is what they are doing. They are engaged in the greatest borrow-and-spend spree in American history.

Who are we borrowing the money from? Increasingly, we are borrowing it from foreigners, from foreign governments, from foreign investors. Now we owe Japan over $684 billion. We owe China over $240 billion. We owe the United Kingdom over $170 billion. My favorite, the Caribbean Banking Centers, we owe the Caribbean Banking Centers over $100 billion. Where did they get their money? Anybody here do their banking in the Caribbean? We owe them over $100 billion. This is conservative? What is conservative about this? Some say this is strengthening the country. How is that? How does it strengthen the country to borrow more and more money from abroad?

This is all happening at the worst possible time—before the baby boomers retire. We are facing a demographic tsunami, and here it is: This is a depiction of the numbers of people in the

baby-boom generation. We have less than 40 million people who are eligible for Social Security and Medicare now, and we are headed for 81 million. That changes everything. Instead of preparing for it, this President has dug the hole deeper and deeper. There is nothing conservative about what is being done.

Let us go back to the so-called budget reconciliation that is before us today. The cover on the book says: Deficit Reduction. One has to read the book. They have to read every chapter of the book to find out the conclusion, and the conclusion has nothing to do with deficit reduction. Oh, no. The first chapter cuts spending $39 billion, but the second chapter cuts revenue $70 billion. So guess what: No deficit reduction here. The deficit is increased, not reduced. Then one has to read the third chapter of the book. What is found there? They are going to increase the debt $781 billion—one of the biggest increases in our national debt ever. If they get that increase, this President alone, in the 4 years he has been in power so far, will have run up the debt by $3 trillion.

In the next 5 years, he is going to run up the debt another $3 trillion. There used to be a TV show—what did they call it—the ''Six Million Dollar Man''? We have the $6 trillion President because the effect of his policies will be to run up the debt of this country by $6 trillion. That is truly stunning.

Here is the record. In 2002, debt was increased by $450 billion. In 2003, debt was increased by $984 billion. In 2004, it was increased by $800 billion. Now our friends on the other side want to increase the debt by $781 billion. That is a grand total of more than $3 trillion of additional debt. We know that, if this budget is passed, they are going to add another $3 trillion of debt over the next 5 years—a combined total of this President's policies of $6 trillion. That is this President's plan. Unfortunately, that is the plan of this Congress.

Don't take my word for it. This is a budget they euphemistically call a deficit reduction plan. If this weren't so serious, this would be very amusing. They place the title of ''Deficit Reduction'' on this plan. Come on. Here is what this plan does according to their own tables. Go and look in the conference report on the budget that was done earlier this year by the majority party in the House and the Senate. This is their conclusion about what is going to happen. This is their conclusion. You see the debt going up every year by more than $600 billion. That is their plan. If you look at the next 5 years, the debt under their plan is going to increase by more than $3 trillion, and they are out here with this book entitled ''Deficit Reduction Act,'' and their plan increases the debt by $3 trillion over the next 5 years. Have words lost their meaning? They call this deficit reduction. They are increasing the debt over $3 trillion, and they label this deficit reduction. That is breathtaking.

Chapter 2 of this book is to extend certain tax benefits, tax cuts. Many of those I support, but some of them are just overwhelmingly directed at the most wealthy among us. If you look at chapter 1 being written here, and chapter 1 being written over on the House side—by the way, the House budget is very clear. It is going to cut food stamps. It is going to cut Medicaid. The House bill takes from the least among us so that they can give to those who have the most.

When I say ''give to those who have the most,'' let me talk about two provisions that are in their tax plan. Extending dividends and capital gains cuts will, on average, give a millionaire a tax break for 1 year of over $35,000. Those earning less than $50,000 a year will get $6. Those earning from $50,000 to $200,000 a year, on average, will get $112. Those earning from $200,000 to $1 million a year will get, on average, $1,480. Those earning more than a million dollars a year will get $35,000 a year. It is a very interesting set of values. It is a very interesting set of priorities, to cut Medicaid and cut food stamps. This is not the Senate bill I am talking about. I am talking about the House bill. The House bill cuts food stamps, cuts Medicaid, cuts aid for those who are the least among us, takes the resources and gives them to those who have the most.

I don't know in what Bible they read that. I have not read any Bible that says the value ought to be take from those who have the least and give to those who have the most. In fact, I don't know of any holy book of any religion that says that is a value, that what we ought to be doing is taking from those who have the least among us to give to those who have the most among us. I don't know of any religion that has that as a value.

I know our colleagues on the other side will say: Wait a minute here. These tax cuts have fueled economic growth.

There are tax cuts that are helpful to economic growth. That is undeniable and clear. In 2001, I supported a significant package of tax cuts, tax cuts that the Congressional Budget Office told us would get a large bang for the buck in terms of economic growth. Part of those were included in the package. In fact, many of them were, and I supported those.

But many of these provisions simply went too far in terms of their cost and have pushed us over into a sea of red ink, massive deficits, and massive debt. They simply went too far.

Here is the record on revenues as a share of gross domestic product. In 2000, we were at a historic high. That is absolutely clear. Tax cuts were justified in 2000. I didn't think the magnitude of the tax cuts were justified, but clearly we needed tax cuts, partly to give lift to the economy. My own proposal to our colleagues actually had more tax cuts in the short term, much more than the President's plan, to give lift to the economy because that made good economic sense. But they put tax cuts on top of tax cuts on top of tax cuts and plunged revenue to 16.3 percent in 2004. That is the lowest it has been since 1959, and far below the level of spending for which they have all voted. So the result is red ink, massive red ink.

Here is what the Chairman of the Federal Reserve has said about deficit-financed tax cuts, because that is what is going on here now. We are borrowing the money to give tax cuts. From whom are we borrowing the money? Increasingly, we are borrowing it from the Japanese, the Chinese, Caribbean banking centers, to give tax cuts to the most wealthy among us. Does that really make sense? Is that really defensible? I don't think it makes any sense.

I am not alone. Chairman Greenspan, in his testimony before the Budget Committee last year, said:

> If you are going to lower taxes you should not be borrowing essentially the tax cut. That over the long run is not a stable fiscal situation.

Chairman Greenspan has it right. We should not be borrowing to provide tax cuts, and we certainly should not be borrowing from foreign governments and foreigners to finance tax cuts. We certainly should not be borrowing more and more money from Japan and China and Caribbean banking centers and who-all knows who else in order to finance these tax cuts, driving us deeper and deeper into the deficit ditch before the baby boomers retire.

About the baby boomers, that is not a projection. They are alive today. They are going to retire. They are going to be eligible for Social Security and Medicare. About all I hear from the other side is they will cut Social Security, and they will cut Medicare in order to fill in the difference. That is where this is all headed. Make no mistake about it. Our colleagues on the other side of the aisle, their full intention is to shred Social Security and to shred Medicare in order to avert a fiscal disaster. We are headed for a train wreck. It is just as clear as it can possibly be.

What have our colleagues done? They have come out with this very, I would say misleading title on a book, saying it is a Deficit Reduction Act. When you read all the chapters of the book, it is not a deficit reduction proposal. It increases the deficit and explodes the debt.

Chapter 1, yes, they cut spending $39 billion over 5 years. Chapter 2, they cut revenue $70 billion over the same time. That increases the deficit by $31 billion. But chapter 3, that is the one they do not want you to read. You will not hear them talking about chapter 3 at all out here because they do not want you to know about chapter 3. In chapter 3, they are going to increase the debt by $781 billion. This is after they have already run up the debt over $2.5 trillion over the last 4 years. Now they are fixing to increase the debt another

$3 trillion over the next 5 years, and they are out here with a book called ''Deficit Reduction.'' Oh, no, I don't think the American people are going to buy that. I don't think the American people are going to be fooled by that. I don't think the American people are going to conclude that what this is about is reducing the deficit because it is not.

The simple truth is, this budget plan increases the deficit and it explodes the debt.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator began with 5.5 hours, and he has consumed 42 minutes. So it is approximately 4 hours 45 minutes, approximately, remaining.

Mr. CONRAD. Mr. President, let me say that on our side we have enjoyed working with the chairman of the committee very much. He is absolutely professional and fair and his word is good. We have had a very good working relationship on the Budget Committee. Obviously, we have disagreements about policy, but on the committee we have tried not to disagree in a disagreeable fashion. I have respect and admiration for the chairman of the committee, and we are going to try to work together to handle amendments in an expeditious and professional way so the time is well used.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, let me echo the comments of the Senator from North Dakota relative to his staff and himself. They are extraordinarily professional. As he mentioned, we do have some disagreements, but we do it in what I think is an appropriate way. We discuss the policy. We disagree on policy. But it is never personal, and there is always a cooperative spirit to try to do the business of the Senate. I greatly admire his professionalism and his staff's professionalism.

I understand the Senator from North Dakota has another 4 hours. I regret we are not going to hear him speak for that entire period of time because this last hour was certainly ''chartlizing''; not scintillating but ''chartlizing.''

The Senator has made a number of points, some of which I actually agree with but most of which I must say I find inconsistent with the facts that are on the ground. With what do I agree? I agree with the fact we are headed toward a fiscal problem of immense proportions primarily driven by the fact that we have a tremendous baby boom generation that is about to retire. Yesterday I spoke at some length about that. That is why we need to initiate efforts to get under control spending of the Federal Government, especially in the mandatory accounts—mandatory accounts being those accounts which people have a right to, simply because of their situation, whether it is a fiscal situation or personal situation. They may be a former member of the military—veterans benefits; they may be of a certain age; they may be of a certain income.

The most significant mandatory programs which are facing us are, of course, the entitlement programs benefiting retired individuals—Social Security, Medicare, and Medicaid. The only way you can address retired programs, mandatory programs, is through a reconciliation bill which is what we have before us today, a deficit reduction bill, because you have to change the law in order to accomplish changes in the ways those bills are going to spend money over the years to come.

So the Republican Congress, the leadership and the membership, has stepped forward with an aggressive proposal to try to do that. It is the first time in 8 years that we have seen an effort to try to put some brakes on the rate of spending on the mandatory side of the Federal Government.

Thirty-five billion dollars, $35 billion original instruction, and $30 billion is what the committees of the Senate have reported back in deficit reduction initiatives in this bill which is before us today. It cannot be discounted so casually, as the Senator from North Dakota has. He has essentially said it is not a deficit reduction because there will be a bill afterward that will give tax relief or it is not deficit reduction because the debt goes up. The simple fact is that those are inaccurate statements.

This bill, if you vote for it, will reduce the deficit by $39 billion in its present form. That is a fact, a simple, incontrovertible fact. There will be a tax relief bill that will follow this bill.

I wish to point out that my colleague from North Dakota—and he has openly said this—is going to probably vote for a lot of the amendments to that tax relief bill because they are good initiatives which need to be done. As he mentioned, the AMT, as he mentioned—I am not sure he mentioned it, but others have mentioned the State and local sales tax deductibility or deductibility of certain education expenses which teachers incur when they are trying to spend money on their classroom or the savings credit—all of these—or the R&D tax credit which makes us more competitive as a nation. The other side of the aisle is saying all those taxes should be raised on all those people. Are they saying that the 8 million people who fall under AMT should have their taxes raised? Are they saying people in the United States who get to deduct their sales tax should have their taxes raised? Are they saying that teachers who buy crayons for the classroom should have their taxes raised? Are they saying that small businesses, especially those that go out and invest in opportunity and creativity by doing R&D expansion, should have their taxes changed and raised? Maybe they are. Clearly, if they are claiming that the next bill, the tax relief bill, is a bad bill—that is what they are claiming because that bill is going to be made up primarily of those initiatives.

We can get into a debate about dividends and capital gains, also.

What has generated the revenue in this country in the last few years? We have seen one of the most dramatic expansions in revenue in this country in the last 20 years and rate of growth of revenue as a result of having cut taxes and given people more incentive to be creative, go out and invest, create careers for people, and create economics to create jobs.

This chart shows, as we have watched the tax cuts put into place, that revenues have been jumping every year. Why? They are headed back to the historical mean where they have been traditionally. They have been jumping because people have had an incentive to go out and invest, to create economic activity, to take risks, to create careers, create jobs, and that is taxable activity which is coming back to the Federal Government.

Sure, revenues have dropped dramatically, as many of the charts the Senator from North Dakota pointed out show. But the drop in those revenues was a function of two events which we had very little control over: the bursting of the bubble of the 1990s, which was the largest bubble in the history of world, bigger than the South Sea Bubble. It was the Internet bubble, and it burst. Quite honestly, we should have gone into a dramatic depression as nation as a result of that burst. But because this President had the foresight to put into place a tax credit on the productive side of the ledger, we did not see that dramatic economic downturn. We saw a reduction, and that reduction dropped revenues.

We were hit with 9/11. Never before has this Nation been hit with an event like 9/11 where we lost thousands of people on our soil here in the United States. Pearl Harbor, obviously, is a comparable. But the civilian losses were overwhelming, and the economic loss was dramatic. We were hit with a body blow to our economy. So that line went down again.

We had the bursting of the bubble, compounded by the single largest attack on our Nation certainly since Pearl Harbor, arguably exceeding Pearl Harbor in many ways, and the economic impact forced the economy down further. That is why the economy dropped. It wasn't the tax cuts that dropped the revenue. The tax cuts have been shown to increase revenues and will continue to increase revenues.

For the other side to take the position that anything else is happening is wrong because the facts are clear. The revenues are going up, and they are jumping dramatically back to the norm, 18 percent gross domestic product for the revenue. A lot of that is a function of tax relief which we will be seeing in the tax package which will be coming here to extend those tax relief initiatives in the next bill. But this bill

is about reducing the deficit by $39 billion, $35 billion being the original instruction. It is a huge step in the right direction.

Now we should ask, I believe—and I think the Senator from South Carolina is going to make this point rather dramatically—what is the response from the other side of the aisle? The response from the other side of the aisle, as I believe the Senator from South Carolina is going to point out, is that their proposal is to spend more money. That is their proposal for reducing the debt around here. They are going to spend more money. That doesn't work.

Since January, they have proposed spending increases which have exceeded or reached almost a half-trillion dollars in new programs, new initiatives, which isn't too surprising because that is the philosophy of the other side of the aisle. I don't think anyone takes that as a surprise. On the other hand, where is their proposal to cut the deficit, to reduce the debt, which the Senator from South Carolina talks about?

We searched, and we found their proposal. Wow.

Here it is. Here is the Democratic proposal on the budget. They have no budget. They haven't proposed a budget. Even when they were in the majority, they didn't propose a budget. At least they didn't bring one to the floor. They have no proposal at all to reduce the deficit or to reduce the debt. They do have a lot of concerns about our proposal. That is understandable because we wrote it. They didn't vote for it. There was not one Democratic vote for our budget. You wouldn't expect us to basically draft their language, but we are willing to take proposals, if they have them, to reduce the debt, to reduce the deficit, proposals which are constructive. But so far, there has been no budget from the other side of the aisle.

There will be a lot of targeted amendments, I presume, to spend more money, which will raise taxes on working Americans and on Americans generally. But as a practical matter, their efforts to reduce the deficit or reduce the debt are extraordinarily limited, especially compared to what we have done.

This is the summary of what this bill does. It is not the tax bill. This is not the tax relief bill. This is the debt reduction bill. It reduces by $71 billion entitlement spending, and $32 billion of new spending is put in place because we believed it was important to assist certain groups and because it was fair. The vast majority or large percentage of the $71 billion came from education accounts by reducing the corporate subsidies for lenders. Rather than take all of that money in deficit reduction, we believed a significant amount of that money—about half—should flow back into student accounts to assist low-income students in getting a college education. It is a good proposal. The key to our Nation's capacity to compete is that we have creative and productive people. That means you have to send people to college. We have to help especially low-income kids get to college. This bill does that to the tune of $11 billion. Maybe the other side is opposed to that.

In addition, we want to make doctors more available to patients. We want senior citizens, when they walk into a clinic or into their health care area, to be able to see a doctor. We know that under the present law, doctors are going to be cut by 4.5 percent in their spending, and they are going to drop out of the Medicare system. The Finance Committee decided to fix that and hold doctors harmless by essentially freezing their pay rather than cutting it 4.5 percent. That is where the money is.

But the net effect of this bill is a $39 billion reduction in the deficit. You can say it is not much. I happen to think it is a lot. In South Carolina, $39 billion is a lot of money. In Ohio, $39 billion is a lot of money. In New Hampshire, $39 billion is a lot of money.

This bill is a lot of money put toward debt reduction. In my opinion, we should be passing it and actually should be passing it on a bipartisan basis because if the other side genuinely wants to reduce the debt and reduce the deficit, they have to vote for this bill. This is their opportunity.

I yield the floor to the Senator from South Carolina who will have a lot of thoughts on this issue.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. GREGG. Mr. President, I suggest the absence of a quorum.

Mr. CONRAD. Mr. President, I have recognition.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. CONRAD. Mr. President, I understand the frustration of my colleague because his party has given him an impossible task—to come out and defend a budget plan that explodes the debt.

You notice there was not one comment by the Senator about the debt. Here is why there was no comment about the debt. Here is what has happened to debt under their watch. When President Bush took office, the gross debt of the United States was $5.6 trillion. Each and every year, the debt has gone up by $500 billion or $600 billion. In 2002, it went up to $6.2 trillion, a $500 billion increase; in 2003, $6.8 trillion, it went up another $600 billion; the next year, $7.4 trillion, another $600 billion; the next year, $7.9 trillion, it went up another $500 billion. Here is what it is slated to do under the budget plan they have put in place.

The debt keeps going up, up, up, by $600 billion a year by their own calculation, and they are out here touting that they have a deficit reduction package. Excuse me. Have words lost their meaning? They are out here talking about reducing the deficit, and their fiscal plan has done nothing but explode the debt of our country from $5.7 trillion when they took over and we are headed for over $11 trillion of debt by the time they are done. And they are out here touting a plan of deficit reduction. Come on. Come on. That doesn't pass the laugh test.

I understand the Senator from South Carolina was up here with a chart the other day that he called the Democratic Spend-O-Meter chart. Let me address that.

The Democratic Spend-O-Meter chart of the Senator from South Carolina is a complete concoction. He claims that the Democratic amendments this year would cost $470 billion. Absolute nonsense. Their Spend-O-Meter ignores the fact that many of the Democratic amendments were offset. He didn't count those offsets. In fact, because they included additional deficit reduction, the net effect of all Democratic amendments on the budget resolution would have reduced deficits by $57 billion.

Their Spend-O-Meter also double-counts the cost of some Democratic amendments because they treat them as if they were a package instead of offered individually. Some Democratic amendments covered the same subject area as an earlier amendment and would never have been offered if that earlier amendment had passed.

Their Spend-O-Meter also overstates the cost of Democratic amendments by misleading and falsely assigning 5-year costs to 1-year amendments. Most of these Democratic amendments were for only 1 year, but they have taken them and made them into 5-year amendments.

Those weren't our amendments. That is your concoction. That is your fabrication. That is not right.

Democratic amendments to the 2006 budget resolution would have reduced the deficit by $57 billion. Republican amendments to the 2006 budget resolution actually worsened the deficit by $79 billion. That is the real story of what happened earlier this year—net cost of GOP amendments: $79 billion of additional red ink; net effect of Democratic amendments: $57 billion of reduction in the deficit.

I also want to respond to the more general accusation that Democrats just want to spend. I would like to remind my colleagues of the record. Under the last Democratic administration, spending as a share of the economy came down steadily year after year, falling from 22.1 percent of gross domestic production to 18.4 percent of gross domestic production. During the term of the Democratic administration, spending went down.

Now I will compare that to the time since the Republicans gained control. Under our Republican friends, spending has gone from 18.4 percent of gross domestic production to 22.2 percent of gross domestic production. Who are the big spenders? When we were in control, spending went down. When they have been in control, spending has gone up.

That is not the end of the story. The bottom line is deficits. Here is the difference in the deficit records of various

administrations going back to the Reagan administration. They were in significant deficit the entire period of the Reagan administration. The Bush administration, Bush 1, dramatically increased the deficits. Under the Clinton administration, we pulled out of deficit and actually went into surplus for 3 years. In fact, 2 of the 3 years we were actually able to stop raiding Social Security trust funds.

Here is the deficit record under the second Bush administration: They plunged us right back into deep deficits and massive increase in debt. Now they have a budget plan that, by their own terms, by their own calculations, increases the debt of the country by $3 trillion over the next 5 years—and they are out here talking about reducing the deficit.

I suppose they can make the claim, but I don't think it will stand up very well. I don't think it will stand up to much scrutiny because we can look at the package—even this little package before the Senate right now. The fact is, there are many chapters to this book. The first chapter cut spending $39 billion. That is in the face of increasing the debt by $3.4 trillion over the next 5 years. They talk about it being a good start. I would say it is virtually no start. It is no start when you consider the second chapter which will cut the revenue by $70 billion. The combined effect is to increase the deficit.

If anyone wonders, go to chapter 3 where they increase the debt in 1 year alone by $781 billion. And they call themselves fiscally conservative? My goodness, that is conservative? That is not any definition of conservative I have read anywhere.

Let's see what is happening to the debt under our friends. They came in and it was $5.7 trillion and they have already run it up to $8 trillion. Here is what their budget proposal is doing now. If we adopt the 5-year budget plan, they will have run the debt of the country from $5.7 trillion to over $11 trillion. That is their record.

What are the results of these policies? The results of these policies are to build a wall of debt. Every year, debt is going up $600 billion a year under their budget plan. These are their numbers. Not my numbers, their numbers.

What does that translate into? That translates into an increase of debt by over $1 million a minute. That is the fact. That is what we are talking about.

What is the result? The result is in 4 years, they have doubled the debt held by foreign countries. U.S. debt held by foreign countries and foreign investors has doubled. It took 224 years to run up $1 trillion of foreign-held debt. In only 4 years, they have doubled it.

Here is the record, looking at the other 42 Presidents in American history. It took them 224 years to run up $1 trillion of external debt. This President has exceeded them in 4 years. This President has run up over $1 trillion of foreign-held debt in his term: $1.05 trillion versus 42 other Presidents, $1.01 trillion. It is pretty stunning what has happened.

And the result? Here it is: We now owe Japan over $684 billion. We owe China $248 billion. We owe the United Kingdom over $174 billion. We owe the Caribbean Banking Centers over $100 billion. This strengthens the country? How does that strengthen the country?

They do not want anyone to read chapter 3 of the book. No. They want to talk about deficit reduction. It is a wonderful title, but it has no relationship to the facts. The budget they have before the Senate does not reduce any deficit. They increase the deficit. They explode the debt. Under their own calculations they will increase the debt over the 5 years of this budget proposal by over $3 trillion. They have the chutzpah to come out here and talk about deficit reduction.

Let's read the third chapter of their book. The third chapter increases the debt limit of the United States in 1 year by $781 billion. And they are out here talking about deficit reduction? Come on.

The chairman said accurately we did not present a budget. That is exactly right, we did not present a budget. Why didn't we present a budget? Because they are in control. They are in control of the White House. They are in control of the Senate. They are in control of the House. We first had to try to defeat their proposal. Only then would we have had an opportunity or a chance to offer an alternative.

The first test was, can we defeat their budget? I tried my darnedest. The chairman knows that. I tried very hard to defeat the budget proposal they put before our colleagues because it exploded the debt by their own calculations by more than $3 trillion over the next 5 years. But I didn't succeed. They won. They passed their budget. If we could have stopped them, if we could have defeated them, then an alternative would have been in order and I would have been happy to offer an alternative if we had a chance to prevail. There was no chance to prevail. They won. The country lost, but they won. The country lost because their budget did not reduce the deficit. It increased the deficit and it exploded the debt.

By their own calculations, this 5-year budget they have put together will increase the debt of our country by $3 trillion. That is a fact.

I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from New Hampshire.

Mr. GREGG. I yield such time as the Senator from South Carolina may use.

Mr. SARBANES. Mr. President, could I inquire what the parliamentary situation is.

The PRESIDING OFFICER. Time is controlled today between the Senators from New Hampshire and North Dakota.

Mr. SARBANES. How much time is available to each side?

The PRESIDING OFFICER. The Senator from North Dakota has 4 hours 33 minutes. The Senator from New Hampshire has 4 hours 3 minutes.

Mr. SARBANES. I understand the Senator from New Hampshire has now yielded to the Senator from South Carolina. Could I inquire, so I have some idea of the sequencing, how much time the Senator from South Carolina will be using?

Mr. DEMINT. Ten or 15 minutes.

Mr. GREGG. After the Senator from South Carolina speaks, I intend to speak for 15 minutes and offer an amendment. Then it would be back to your side for whatever time you wish to take, so about half an hour from now.

Mr. SARBANES. Would it be possible to make an opening statement before the chairman of the committee offers an amendment?

Mr. GREGG. I want to get the amendment in the queue. I will offer the amendment and then I will let the Senator from North Dakota yield to you for whatever you need for an opening statement—15 minutes?

Mr. SARBANES. Ten minutes.

Mr. GREGG. And then back to me to explain the amendment.

Mr. SARBANES. I thank the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, I thank the Senator for yielding.

I find the comments of the Senator from North Dakota very curious, if not amusing. I find the opposition to this deficit reduction package perplexing.

How can we come to the Senate and rail against deficits and, at the same time, rail against spending cuts? Some of my colleagues have gotten comfortable with voting against something before they vote for it.

In 1993, when the Senate was considering mandatory spending reductions much like we are considering today—only then it was $77 billion, about twice as much as we are considering cutting today—the Senator from North Dakota supported it. Not only did he support it, he took the lead in pushing for more spending cuts. To quote the Senator from North Dakota:

> I am one of those on the Democratic side who insisted on more spending cuts . . . I did so because I believed very strongly that we had to have more spending cuts to have balance in this program . . . Madam President, we succeeded . . . We got more spending cuts.

The Senator also said:

> When we talk about there being too much spending, when we talk about the Federal budget being out of control, Medicare and Medicaid are part of the explanations.

And, again, in 1997, when the Senate was considering mandatory spending reductions which totaled $107 billion, which is almost three times what we are considering today, the Senator from North Dakota supported it, too. Again, he not only voted for it but he called for even more spending cuts.

Again, the Senator said:

I, too, am proud to have voted for the provisions that we passed this morning that will finish the job of balancing the unified budget . . . Frankly, I would have done more by way of deficit reduction. I wish we had been more ambitious. I wish we would have done more in the long-term reform of entitlement programs, but that was not to be. That is for another day.

This is all very confusing to me. How can the Senator be for spending reductions in 1993, in 1997, but then oppose them today? I don't want to make any assumptions, but this appears to be politically driven because the only thing that has changed since 1993 and 1997 is the man in the White House.

The Senator is correct that the Republicans are now in the majority. But history will show that the Republicans in the majority in the 1990s worked with President Clinton to cut the budget and balance the budget over time.

Our country faces many difficult challenges. But my colleagues continue to talk a good game while they obstruct at every turn. It actually reminds me of an experience when I was a teenager taking lifeguarding classes at a swimming pool. One of the parts of the final test for that lifeguarding class was to swim to the bottom of the deep end, pick up a concrete block, bring it back to the surface and then swim to the other side of the pool. Every day when I get up in Washington, DC, I feel I have to go down to the bottom of the pool and pick up my Democratic colleagues and drag them across the pool.

On energy, while we hear rhetoric in the Senate blaming the President for high energy prices, the Democrats vote en bloc to keep us from developing the oil resources we have in this country. In a committee meeting last week we wanted to build new refineries, modern, environmentally safe refineries on old military bases, but the Democrats voted en bloc to stop it.

I heard this morning from the Senator from North Dakota about spending Social Security on other things. Yet when Republicans this year proposed we stop spending Social Security on other things and save it in Treasury notes, they en bloc came out against it.

The same thing is happening today on deficit reduction.

They say they want deficit reduction, but they are on the floor speaking out against it. I find the comments coming from the other side of the aisle very interesting. I keep hearing how ''we are opposed to budget deficits,'' but this chart will show how they spend, spend, spend.

If I could—and my colleague from North Dakota referenced some of the amendments that we brought up last week, which they said were offset—I think it is important, when we speak on the floor, we get our facts straight. Because these are the amendments offered by the Democrats that would increase the budget by over a half a trillion dollars, none of which were offset. There were other amendments offered with some offsets, but, as shown on this chart, this would increase the spending and the deficit by over a half a trillion dollars.

If we look at it in total—since we are using some moving charts this morning—if we want to be accurate—again, this gets back to the concrete block analogy—we are trying to cut spending in this Senate, which is only a third of what we did last time we went through this same procedure, with Democratic support, yet amendments have been offered that have taken this all the way up to the top of $500 billion and beyond, with the new amendments that were offered last week.

It is important, as a nation, we address difficult issues in a sound, fiscally responsible way. This bill before us this week is very modest, with spending cuts that reduce no care to the poor; they are cutting wasteful spending and fraud from Medicaid and other programs. This should be an easy vote for every Member of the Senate. There is other spending that we need to address. This bill should be easy.

I encourage all of my colleagues to set the rhetoric aside. Let's leave the concrete block at the bottom of the pool and swim across it together and get this done on behalf of the American people.

Mr. President, I thank the Chariman for this time and yield back.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 2347

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for Mr. FRIST, for himself and Mr. GREGG, proposes an amendment numbered 2347.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide amounts to address influenza and newly emerging pandemics)

At the appropriate place, insert the following:

**SEC. ___. ASSISTANCE TO COMBAT INFLUENZA AND NEWLY EMERGING PANDEMICS.**

(a) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated in title VII, there are appropriated $2,780,000,000 to enable the Secretary of Health and Human Services to carry out the activities described in subsection (c).

(b) ADDITIONAL AMOUNTS.—Out of any money in the Treasury of the United States not otherwise appropriated in title III, there are appropriated $1,174,000,000 to enable the Secretary of Health and Human Services to carry out the activities described in subsection (c).

(c) ACTIVITIES.—From amounts appropriated under subsections (a) and (b), the Secretary of Health and Human Services shall utilize—

(1) $577,000,000 to intensify surveillance of influenza and other newly emerging pandemics and outbreaks;

(2) $2,800,000,000 for the development and stockpiling of antivirals and vaccines for influenza and other newly emerging pandemics; and

(3) $577,000,000 to establish a seamless network of Federal, State, and local authorities for preparedness relating to influenza and other newly emerging pandemics.

Mr. GREGG. Mr. President, it is my understanding that at this point the Senator from North Dakota is yielding time to the Senator from Maryland, and it will be taken from the time of the Senator from North Dakota. After the Senator from Maryland makes his statement, I will reclaim the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I thank the Chair.

Mr. President, I rise to speak on the measure before us. As we well know, budgets are all about priorities. The budget resolution which was passed earlier this year paved the way for the reconciliation legislation which is now before us, legislation which I strongly believe represents the wrong set of priorities for America.

I say this for two primary reasons. One is the adverse impact this legislation will have on the Nation's soaring budget deficit; in effect, what it does to the fiscal underpinnings of our economy. The second very strong reason is the impact this legislation will have on families all across the country.

I commend the able Senator from North Dakota, Mr. CONRAD, for his very effective leadership on this issue. He has been consistent throughout in trying to bring a sense of fiscal responsibility to our budget deliberations. His presentation earlier today has maintained that strong commitment, as he set out the fiscal consequences of the path on which we are proceeding.

The reconciliation process, which originated in the mid-1970s, provides fast-track procedural protections for reconciliation bills, which are supposedly designed to help achieve the goal of reducing budget deficits. Regrettably, that goal has been absent from the reconciliation process since 1997, which was the last time the Congress considered a reconciliation bill that actually sought to bring down the deficit. In fact, in recent years, the reconciliation process has been used not to bring down the deficit but to cut taxes. So a process designed to help reduce budget deficits has actually made our deficits worse, significantly worse, by speeding through the Congress package after package of excessive tax cuts.

This year's reconciliation process is no different. The budget resolution, which passed on a party-line vote earlier this year, provided fast-track procedural protection for both a spending bill and a tax bill. Both were provided this protection under the reconciliation process. So if one is to see the impact made on the deficit by the reconciliation process, one has to take into account both of these measures. Only one of the two is before us today. But the other is scheduled to follow

next week. They constitute part of a package.

Now, the budget resolution, passed earlier in the year, required various committees to make $35 billion in spending cuts. The effort to implement that is reflected in the legislation before us today. That same budget resolution required the Finance Committee to report a tax bill that reduces revenues by $70 billion. So we have a requirement, under the budget resolution now being implemented by this fast-track procedure, of $35 billion in spending cuts which I understand is actually coming in at $39 billion—and $70 billion in tax cuts.

The consequence of using this reconciliation process for both the spending cuts and the tax cuts will be to increase the budget deficit by more than $30 billion. So the reconciliation legislation, originally designed for the purpose of budget deficit reduction, is not, in fact, going to reduce the budget deficit; it is going to increase the budget deficit. This bill is really about trying to make room for more tax cuts, primarily benefitting the people at the very top of the income and wealth scale.

When you look at the reconciliation instructions in the budget resolution, on both the tax and spending sides, that conclusion is inescapable. The reconciliation legislation is a clear example of a fiscal policy that places a higher priority on tax cuts than on funding needed services and reducing the deficit. To me, that is a misplaced priority but, regrettably, one that has marked this administration.

Now, if the ranking member would yield for a couple of questions?

Mr. CONRAD. Yes, sir.

Mr. SARBANES. It is my understanding that when President Bush came into office in 2001, the fiscal situation which he inherited was one where we actually we were running a surplus in the Federal budget, if I am not mistaken. We were projecting a surplus, over the next 10-year period—2002 to 2011—of $5.6 trillion. I say to my colleague; is that correct? That was the projection at the time?

Mr. CONRAD. That is correct.

Mr. SARBANES. Of course, these were projections. We recognize that. But they were the best estimate that could be made. Over a 10-year period, we were projecting a surplus of $5.6 billion. In fact, some said we were paying down the debt too quickly, if the Senator will recall?

Mr. CONRAD. Yes, they did. In fact, they were concerned we were going to pay off too much debt.

Mr. SARBANES. As I understand it, today, after this series of excessive tax cuts the President has pushed through, using this reconciliation process—actually, I think, abusing it, not using it, because it was designed to reduce deficits, not to increase deficits—but using this fast-track procedure, the President and his allies in the Congress have pushed through a series of excessive tax cuts.

So as I understand it, we are now in deficit, $317 billion for the fiscal year that just ended, and we are facing projected deficits, over the next 10 years, of $4.5 trillion; is that correct?

Mr. CONRAD. The Senator is correct. So we have had a swing from projections of a $5.6 trillion surplus to more than a $4 trillion deficit. That is a swing of $10 trillion.

Mr. SARBANES. Mr. President, I want to underscore what the very able Senator from North Dakota has pointed out. This is an incredible deterioration in the fiscal position of our Nation. We have gone, in less than 5 years' time, from projecting a surplus of $5.6 trillion, over a 10-year period, to a point where we are now projecting a deficit of $4.5 trillion over a 10-year period. And as the able Senator points out, that is a swing in our fiscal position of $10 trillion—$10 trillion in the wrong direction. It is incredible when one stops to think about it.

Mr. CONRAD. I would say to the Senator, if I could, the situation is even much worse. Why is it much worse? Because the deficits understate what is happening to the debt.

Last year, for example, the deficit went up by something over $300 billion, but the debt went up by $551 billion. Most of the difference is the money they are taking from Social Security. Last year, they took, under the President's plan, $173 billion of Social Security money and used it to pay for other things. It all gets added to the debt, but none of it counts toward the deficit calculation.

Mr. SARBANES. Could I ask the Senator, who is holding this debt?

Mr. GREGG. Will the Senator yield for a question?

Mr. SARBANES. Certainly.

Mr. GREGG. As the Senator knows, I did yield to the Senator to make an opening statement. The understanding was it would be for about 10 minutes. It has been about 15 now. I am wondering if the Senator is planning on going on for an extended period of time.

Mr. SARBANES. If I could have 4 or 5 more minutes, I could draw to a close.

Mr. GREGG. That would be great. I thank the Senator.

Mr. SARBANES. I thank the chairman.

Well, as was pointed out, rather than conserving the budget surplus, which President Bush inherited, he has chosen to risk our fiscal future through excessive tax cuts—tax cuts targeted to those who need them the least. This reconciliation process before us will only continue that pattern.

The reconciliation process is supposed to provide special protection to measures to bring the deficit down, not to provide special protection to a combination of measures, as we have here: some spending cuts but greatly exceeded by tax cuts.

So the net result of the reconciliation measures to be considered this week and next week will be an increase in the deficit of $30 billion. I don't know anyone who can contest that. It is pretty well conceded.

The instructions made it clear from the outset there was to be $35 billion in spending cuts—and they have increased it a few billion—and $70 billion in tax cuts. You put the two together, you have an increase in the deficit of over $30 billion.

We are facing serious future challenges. The Senator from North Dakota has been the leader in pointing out to us the need to consider the baby boomers as they approach retirement age, the impact that will have on the fiscal situation of the country, and how we can deal with that in a balanced and equitable way. That discussion is not taking place. Instead, we have this fast-track process in which the most vulnerable amongst us are asked to make the sacrifices in terms of the programs being cut, such as Medicaid and Medicare.

The New York Times, in an editorial on October 26, titled ''Stalking the Poor to Soothe the Affluent,'' said:

> Impoverished Americans are being set up as targets this week in Congress's desperate attempt to find budget cuts after four straight years of tax cuts for the affluent.

I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. SUNUNU). Without objection, it is so ordered.

(See exhibit 1.)

Mr. SARBANES. As I draw to a close, I just want to underscore what is happening. I had put a question to the Senator from North Dakota and there wasn't an opportunity to answer. Our debt is escalating at a faster rate than the budget deficit, which compounds the situation. Who is holding this debt? Who is buying this paper and, therefore, has claims against U.S. citizens looking out into the future?

Mr. CONRAD. Increasingly, this debt is being held by foreign countries and foreign investors. If you think about it, during the President's watch so far, he has increased the debt from $5.6 trillion to $7.9 trillion. That is a $2.3 trillion increase in the debt so far under his watch. I keep urging my colleagues to understand that you can't tell a book by its cover. This cover says it is deficit reduction. That is just the first chapter. You have to read all the chapters to conclude what is happening.

What is happening is, as the Senator has correctly described, the first chapter is, cut a little bit of spending. The second chapter is, cut even more revenue. The third chapter is—and this is the one they really don't want people to read—increase the debt of the country by $781 billion for 1 year. That will take the total up to over $3 trillion of added debt in just the 5 years that this President has been in power. Who is holding the debt?

Increasingly, it is foreigners. This President has increased foreign holdings of our debt by a trillion dollars. It

took 42 Presidents 224 years to run up a trillion dollars of external debt. This President has more than doubled that amount in 4 years.

Mr. SARBANES. Mr. President, I close with this observation: In one of his plays, Tennessee Williams has a character, Blanche Dubois, who says: I have always depended on the kindness of strangers. That is what is happening to the fiscal future of the United States of America. We are becoming increasingly dependent on foreign nations, in many instances central bankers, not individuals, central bankers buying our debt, holding this paper, financing this deficit, underwriting this debt. The United States, as a consequence, is losing a measure of its strength and independence which only underscores the seriousness of the situation we confront.

Mr. CONRAD. Well, we owe Japan over $680 billion.

Mr. GREGG. Mr. President, point of order: No question was asked by the Senator from North Dakota. Is it correct to have an interchange of this nature?

Mr. CONRAD. I interpreted a question from the Senator.

Mr. SARBANES. I asked the Senator who was holding the debt.

Mr. CONRAD. He had asked who was holding the debt, and this is who is holding the debt.

Mr. GREGG. The Senator from North Dakota's response was not in relationship to a question.

The PRESIDING OFFICER. The Senator from Maryland has the floor. He may not ask questions of other Senators, but he may respond to questions from other Senators.

Mr. CONRAD. I would be happy to ask the Senator from Maryland a question, if he would yield for that purpose.

Mr. SARBANES. Certainly.

Mr. CONRAD. The Senator can see here the answer to the question he posed to me. I would ask: Who is holding the debt?

Mr. SARBANES. As I look at the chart which the Senator has presented, Japan has $684 billion of it; China, $248 billion—and that is rapidly escalating, moving upwards very fast—the United Kingdom, $174 billion. Caribbean banking centers are holding over $100 billion of our national debt. This is a recipe for eventual disaster if we don't get this situation under control. The budget reconciliation process ought not to be used in such a way that the ultimate result is going to be an increase in our deficit and a further runup of the debt.

I thank the chairman and the ranking member for this opportunity to speak. I again commend Senator CONRAD from North Dakota for the effective and consistent leadership he has provided over the years in addressing the important question of the fiscal underpinnings of our national economy.

I yield the floor.

EXHIBIT 1

STALKING THE POOR TO SOOTHE THE AFFLUENT

Impoverished Americans are being set up as targets this week in Congress's desperate attempt to find budget cuts after four straight years of tax cuts for the affluent. House Republicans propose harmful cuts in Medicaid access and benefits, while forcing another 10 hours of work from welfare families and giving states free rein to pile more draconian reductions onto the most vulnerable citizens.

This gross political posturing does not even translate into true savings. While imperiously proclaiming cuts of $50 billion over five years, Congressional leaders are determined to fiddle more harmfully with the revenue half of the budget and to pass an additional $70 billion in upper-bracket tax cuts.

The proposals would have the federal government—supposedly the protector of the neediest—give the states broad leeway to restrict current benefits; to require co-payments by the poor for medicine and for care by doctors and emergency rooms; and to cut preventive care for children, who represent half of the Medicaid roll. The food stamp program would probably also be hit with a $1 billion cut, and even welfare payments to elderly people who are sick would be crimped by using federal bookkeeping tricks.

One particularly boneheaded proposal would severely cut the funds for child support enforcement by $4 billion. This program currently returns $4 in benefits from natural parents for every dollar invested.

The proposals are so appalling that moderate Republicans are even said to be considering a show of life on the floor. In contrast, Senate Republicans are shaping cuts that would spare the poor's Medicaid and other safety nets, while finding savings in Medicare overpayments.

The Senate approach is obviously preferable, but it is also rooted in the G.O.P.'s pre-election fiction that overspending is the basic problem. The tax cuts should be scuttled and the poor protected.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I had, as a matter of courtesy, yielded the floor so the Senator from Maryland could speak; he said for 10 minutes. It has now been a half hour. Cooperation does help in this institution.

Cooperation also helps on bills such as this. The Senator from North Dakota has taken considerable time to talk about the reduction in the deficit in the 1990s and the fact that we went into surplus, claiming it as an action of the Democratic Party. The deficit reduction which occurred during that part, there was another player in that, and that was the Republican Congress which essentially asked President Clinton to pursue a course of a balanced budget. And with some reticence, the final agreement was reached, and a balanced budget bill was passed. It was passed in cooperation. There was cooperation from Republican membership with a Democratic President.

It would be nice if we had that cooperation today from our Democratic colleagues. I find it uniquely ironic that they have decided to oppose a bill which reduces the deficit by $35 billion—that initially was the demand; it was a proposal put forward; now it is up to $39 billion—on the representation that, well, they can't support this bill because there may be a later bill that gives tax relief. You can't have it both ways. You can't claim you are for deficit reduction and for reducing the debt and then vote against the one opportunity you are going to have to do so. The one opportunity is this bill. This isn't a tax relief bill. There are no tax relief proposals in this bill at all. This is not a bill that in any way harms people of lower incomes.

In fact, the vast majority of the new spending in this bill is directed specifically at low-income students and patients on Medicare and assisting both of them. The Medicaid proposals in this bill were crafted by the Finance Committee to make sure they focused on making that program more efficient. It will actually, if the language in this bill passes, have an impact on the pharmaceutical industry but not on low-income individuals who benefit from Medicaid. In fact, because it has significant expansion of the flexibility of Governors to deal with Medicaid, most of the Governors you talk to, any that are sort of good managers, are saying they can do a lot more. They are going to be able to deliver a lot more Medicaid services to a lot more people as a result of the language in this bill, even though it saves money in the Medicaid accounts, because they are giving Governors more flexibility.

This is a bill which actually produces significant improvements in the delivery of services in this country to low-income individuals, especially those who want to go to college, those who are benefiting from Medicare, and those who are benefiting from Medicaid. At the same time, it reduces the deficit by $39 billion, or $35 billion if the amendment I just offered happens to be passed.

To say that you are not going to vote for this bill because there may be some bill coming down the road that gives tax relief to people is not consistent, and then to argue that you are for deficit reduction on top of that. This is your opportunity to vote for deficit reduction. This is it. This is the only vote you are going to get—at least in this exercise of reconciliation—to reduce the deficit. So vote for this. And if you are not happy with the tax relief package, vote against the tax relief package. Take the good, which you allegedly claim you want, which is deficit reduction, and reject what you consider to be bad, which is the tax relief package coming later.

Mr. SARBANES. Will the Senator yield for a question?

Mr. GREGG. No, I will not yield at this time.

The tax relief package to which they are opposed, which is coming down the pike, which they allege is part of this package so they have to vote against the debt reduction deficit reduction package, let's talk about what is in that package potentially.

The alternative minimum tax: Something like 8 million people will be

added to the alternative minimum tax if we don't extend what is known as the patch, if we don't exempt those people from being added to it. That is a $30 billion item right there. The folks on the other side want to vote against the tax reconciliation bill. They want to raise taxes on 8 million people. They want to create a tax revenue of $30 billion by making the alternative minimum tax apply to middle-income Americans. That is their choice.

The research and experimentation tax credit, the R&D credit, this is the credit which allows entrepreneurs, especially small businesses, to invest in R&D, which produces jobs, which makes our country more competitive, which keeps jobs from going overseas, which gives people careers. This is one of the most important tax initiatives in our Tax Code because it increases economic activity and increases opportunity and jobs. They want to vote against that one. Fine. Raise the taxes on small business and entrepreneurs who want to do R&D. That is the second largest item, $7 billion, that is going to expire in the next 2 years.

The deductibility of qualified credits, teachers' deductibility. We talked about that before. When teachers go out and buy things for their classrooms, they get a deduction for it. If they want to raise taxes on teachers, go ahead, have a tax increase on teachers.

The deduction for State and local sales taxes: Which States benefit from the deductibility of State and local taxes? Massachusetts, Connecticut, New York, New Jersey, Illinois, California—those are the high tax States. They are the ones with the highest sales taxes. How many Republican Senators are there from those States? I don't think there are any. But that is one of the items. They appear to want to raise taxes on people in those States by making their sales tax not deductible.

I have to tell you, I come from New Hampshire. We don't have a sales tax or an income tax. If you want to eliminate the deductibility of sales taxes, it is no skin off our nose. But I don't think it happens to be that great a policy. But that appears to be the position that is being taken here, if you listen to the other side as they excoriate the package of proposals that is coming at us as a result of the reconciliation process: First, the deficit reduction bill, the debt reduction bill; second, the reconciliation bill on taxes, the majority of which includes these right here. And these are the ones that are expiring in the next 2 years.

Then the third is the debt ceiling, which is put under reconciliation. Well, you know, we are at war. We had a downturn of dramatic proportions as a result of the bursting of the Internet bubble, and this country's expenses have gone up rather significantly because of those two factors—especially the cost of the war. In fact, if you look at discretionary spending, almost the entire increase is an attempt to fight terrorism and protect our Nation. Now, it may be that the other side of the aisle does not want to pay those bills, that they think we should not do a debt increase. Well, if you do that, the Federal Government defaults on its debt, chaos occurs in the marketplace, and people's savings will be wiped out not only in the United States but across the globe.

Maybe that is the fiscal position of the other side of the aisle. A debt reduction bill is a technical step in the sense it increases our ability to borrow the money. We are going to borrow the money because we have the debts. It is like saying, when you get your credit card bill, you are not going to pay it. Well, the practical implication of not paying is you file bankruptcy. Maybe the other side's position is let's file bankruptcy. It seems to be we should do nothing. However, the rate at which that credit card is being charged—because this is the only bill that does that. This is a deficit reduction bill. The $39 billion bill that is pending before us is a deficit reduction bill. So if you are not going to vote for this bill, you have no credibility on the issue of whether you are willing to cut the deficit or debt. It is one separate bill.

Mr. SARBANES. Will the Senator yield.

Mr. GREGG. I will not yield. I yielded to the Senator for 30 minutes when he asked for 10, and to tell you the truth, I don't think that was consistent with the comity of the Senate.

Mr. SARBANES. Now, the Senator should yield on that point.

Mr. GREGG. No, I will not yield.

Mr. SARBANES. On questioning the comity of the Senate, the Senator should yield on that point.

Mr. GREGG. I will not yield on that point.

The next item: The second point is how much money have we generated from this tax cut. The tax cut has energized a significant increase in revenue to us relative to the budget. We have seen a 14-percent increase in 2005. We will see a 6-percent increase in 2006, and it is projected that this will continue to go up significantly as we move into the outyears. That is because as you reduce the tax rate on working Americans, you significantly expand the revenue of the Federal Government because people become more productive and they generate more activity, which generates income to the Federal Government.

That has been proven over and over and over again. The tax cuts of President Bush have shown that, the tax cuts of President Reagan showed it, and the first person to show it in fairly definitive terms was President John F. Kennedy, who put forth his tax cut which generated significant revenues to the Federal Government.

We are seeing a dramatic expansion in the revenue activity of this Government. To say anything else is inaccurate. Yes, the budget deficit is $314 billion, but it was supposed to be $440 billion or $420 billion. We have generated $100 billion of reduction in the deficit and almost all of it, almost all of it has been a function of new revenues coming into the Federal Government. There has also been essentially a freeze on discretionary spending, nondefense, which has been good, but essentially all that revenue has come out of this, come out of the fact that we cut taxes and we have generated more economic activity.

So when the argument is made that the tax cuts are inappropriate and that we are generating cuts for wealthy individuals at the expense of low-income individuals, it is just not consistent with the fact. The fact is, this deficit reduction plan significantly reduces the deficit but does it in a way that does not impact low-income individuals. In fact, the new spending initiatives in this plan, which are fully paid for by offsetting reductions, dramatically benefit low-income individuals, especially those who are working, who are going to college, and who are trying to benefit from Medicare.

Secondly, the tax provisions which will be coming in the next exercise, which is independent of this exercise, are provisions which are generally supported by most Americans. They are the deductibility of the R&D tax credit, deductibility of education credits, deductibility of savings credits, State and local taxes, sales taxes, and, of course, the AMT fix. The tax revenues of this country are going up dramatically on an annual basis, and they are projected to continue to go up. So we don't have a problem that we are an undertaxed society. We have a problem that we are not controlling spending.

The pending amendment which I sent to the desk is an amendment to address the fact that we are confronting a very significant threat in the world called avian flu. This Congress, this Senate, has tried to address this issue a couple times, but we know the avian flu issue is a ticking time bomb out there. Whether it is going to happen today or whether it is going to happen—well, not today, obviously, but whether it is going to happen within 12 months or 2 years or 5 years, we know the threat should avian flu transfer from birds over to humans is huge because we have a record to look to, which is the pandemics of the early part of this century.

We need to get ready for it, and we all recognize it, and there is an urgency to do that. It has been a bipartisan push to try to accomplish that. So this amendment essentially takes some of the dollars which have been saved in excess of the original reconciliation instruction and applies those dollars to try to address the pandemic situation.

In trying to accomplish that, we have addressed what I think is a significant need. In addressing the avian flu issue, it is more than just a money issue. We

all know that. There has to be an incentive for the vaccine industry to aggressively pursue some sort of cure to address not only avian flu but avian flu as it mutates through various systems. That has not been accomplished yet. But we know it will not be accomplished until we are successful in standing up to the vaccine industry and making sure that they have the resources to pursue an adequate treatment.

This amendment tries to accomplish that, and thus I have offered it.

At this point I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I think the chairman of the Budget Committee just summed up the position of his party when he said we have to borrow the money because we have the debt. That is exactly right. Their party has put us on a fiscal course to explode the debt. And when the Senator talks about deficit reduction, which is on the cover of the book of the matter that we are discussing today—it says deficit reduction—it just doesn't have any credibility because it is part of a package. The package is the budget that was passed earlier this year. This reconciliation process we are going through now was authorized by that budget. That budget didn't reduce any deficit; it increased the deficit. Most seriously, it exploded the debt.

Well, here it is. The budget we are working to conclude increases the debt by $3.4 trillion over the next 5 years. The spending cut they have out here right now is $39 billion. By the way, they are about to reduce that because the first amendment from our colleagues on the other side is a spending amendment.

But let's look at the whole package, the whole package that our colleagues have offered the country, have offered the Senate. If doesn't reduce the deficit, it doesn't reduce the debt, it dramatically expands the debt—not by my calculation but by their calculation. Here is their calculation of the increase in the debt of their 5-year budget proposal. They are going to run up the debt $3.4 trillion. This spending out here over 5 years of $39 billion basically does not touch it.

Now, my colleague had a whole list of possible tax cuts and said, well, maybe we are for increasing the taxes on the American people, on those various items. I support extension of many of those tax cuts, but I believe they ought to be paid for. That is the way we used to do business around here. We used to have a provision we called pay-go, and if you wanted to increase spending or you wanted to have more tax cuts, you could do it, but you had to pay for it. There is an old-fashioned idea: pay for it. Our colleagues over here don't want to pay for anything. They want every tax cut, they want every spending provision—this increase in spending. They are in control. The spending they are complaining about, they passed it. They control the Senate of the United States. They control the House of Representatives. They control the White House. Every dime of this spending that they are complaining about, they passed—every dime of it. The President has not vetoed one spending bill. Every dime of this spending they supported.

But here is what they did on the revenue side. This is what has happened to the revenue. The revenue side of the equation collapsed, and, yes, we have had an upkick in the last year, absolutely. The Senator is correct. Revenue has increased in the last year. But look at where it is. It is way below the historical level. The result of this combination of their spending increases and their tax cuts has been to explode the deficits. We have had in the last 3 years the largest deficits in the history of the country. They have exploded the debt—not by my calculation but by their own calculation and by the historic record.

Look, when this President came in, the debt was $5.7 trillion. In 5 years he is going to have added $3 trillion, if this budget plan passes. They ran up the debt another $551 billion for the last year alone. They are going to increase the debt of this country in the 5 years of this Presidency by $3 trillion, and in the next 5 years they are going to run it up another $3 trillion.

Now, facts are stubborn things. It is very interesting that my colleague on the other side, when he put up the possible tax cuts they are talking about, left this one out. You didn't see this. You didn't see this one mentioned, the capital gains and dividends tax cuts. Here is the distribution of those tax cuts, who gets them: Those earning over $1 million a year will get, on average, a $35,000 tax cut. Those earning less than $50,000 a year, this is what they get: $6—$6. That is what my colleagues on the other side of the aisle think is a fair distribution of the tax cuts—$6 for those earning less than $50,000 a year, $35,000 for those earning over $1 million a year. And one of the ways they reduce the cost of all this is to take from the least among us.

Go look at what the House of Representatives is proposing by way of their spending cuts. They are going to cut Medicaid, they are going to cut food stamps, the things that go to the least among us so that they can give additional tax cuts to those who have the most among us.

That is not a value that I have read in any Bible. My Bible does not say take from the least among us to give to the most among us. I have not seen that in any chapter of the Bible or, for that matter, in any holy book. Virtually every religion—perhaps every religion—has as a value that we help the least among us. We don't take from the least among us to give to those who have the most. But that is exactly what is before us in this proposal.

Again I say to my colleagues, you can't separate out the first chapter of the book they have labeled deficit reduction; you have to read the whole book. You have to read all the chapters. If you read the chapters of this book, what you find is in chapter 1, they cut a little bit of spending, in chapter 2 they cut even more revenue, and in chapter 3, they explode the debt by $781 billion. And they call it deficit reduction? Please.

If you look at the whole book, if you read the entire book, what you find is they are going to increase the debt of our country by $3 trillion over the next 5 years. And they are out here talking about deficit reduction? No, that dog won't hunt.

I rise to offer an amendment with Senator NELSON and Senator FEINGOLD to restore some budget discipline. We want to go back to the pay-as-you-go rule that served this country so well in previous years. I thank Senator NELSON and Senator FEINGOLD for their leadership on this issue. I see Senator FEINGOLD is on the floor.

Our amendment is simple. It restores the original pay-go rules preventing new mandatory spending and new tax cuts unless they are paid for. My colleague talks about all the additional tax cuts he wants. That is fine. I will support a lot of them, but we have to pay for them. Otherwise, we are borrowing money from China, Japan, the Caribbean Banking Centers, and all the rest to give tax cuts that, in many cases, go predominantly to the wealthiest among us. What a bizarre strategy that is.

The proposal we are making today eliminates a loophole in the current pay-go rule which exempts tax cuts and spending increases that are provided for in the budget resolution. We don't have to pay for them if they are in the budget resolution. This huge loophole encourages fiscally irresponsible behavior, which is exactly how I would characterize the budget that is before us. It is fiscally irresponsible—fiscally irresponsible to increase the debt by $3 trillion when we have already almost $8 trillion of debt. If people are serious about fiscal discipline, this is their chance to prove it.

I would like to take a moment to remind my colleagues of the history of pay-go and why it is important to reinstate the original pay-go rule.

The rule was adopted in 1990 at a time when the Federal Government was facing unprecedented deficits, just as we are today. Originally, the pay-go rule created a 60-vote point of order against tax cuts and mandatory spending that would increase the deficit. Tax cuts and increased spending either had to be paid for or face a 60-vote point of order. Back in the nineties, the budget discipline of pay-go helped us turn record deficits into record surpluses. But the pay-go rule we have now has lost its teeth. What we are left with is a pale reminder of what pay-go used to be.

The current pay-go rule exempts all policies assumed in every budget resolution. As a result of these changes,

the budget resolution this year advocated borrow-and-spend policies. Here is what our current fiscal picture looks like: record budget deficits as far as the eye can see; an ocean of red ink. That is where we are now, and that is where we are headed.

In this year's budget, the majority paved the way for these reconciliation bills that are before us now that will actually increase the budget deficit. How? By shaving $39 billion of spending over 5 years, but then by cutting revenue $70 billion. The combined effect is to increase the deficit by $31 billion, and we already have record deficits. The whole idea of reconciliation was to provide fast-track protection to deficit reduction. Now it has been hijacked, and they are using these special provisions and special protections to increase the deficit. It is a perversion of the process.

Federal Reserve Chairman Alan Greenspan opposes tax cuts that are financed by increasing the deficit. Here is what he told Congress last year.

Question from Congressman SPRATT:

> Let me ask you this. You said you were for extension of the original pay-go rule, which would apply to tax cuts as well as to entitlement increases. Does that mean you would advise us that as we approach these sunsets and expirations in existing tax cuts, that they be offset before the renewal be passed?

Mr. Greenspan:

> Yes, sir.

That is the answer the chairman was perhaps seeking. He wants to extend these tax cuts. Many of them I do as well. But I want to pay for them. That is what pay-go provides. Here is what the Fed Chairman had to say on the question of restoring the original pay-go: ''Yes, sir,'' when asked a direct question if we should restore pay-go. Earlier this year in testimony before the House Budget Committee, Chairman Greenspan again reiterated his support for fully offsetting the costs of all tax cuts:

> If you're going to lower taxes, you shouldn't be borrowing essentially the tax cut. And that over the long run is not a stable fiscal situation.

That is what we are doing here: Put it on the charge card, run it up, borrow the money. Where are we borrowing it? Increasingly we are borrowing it from abroad. Under this President, we have increased our debt held by foreign countries by over 100 percent. It took 42 Presidents 224 years to run up a trillion dollars of external debt. This President has doubled it in 4 years. That is an utterly unsustainable course.

Chairman Greenspan said before the House Budget Committee earlier this year:

> All I'm saying is that my general view is that I like to see the tax burden as low as possible. And in that context, I would like to see tax cuts continued. But, as I indicated earlier, that has got to be, in my judgment, in the context of a pay-go resolution.

That is what we are offering today, a pay-go resolution. You can have more spending; you have to pay for it. You can have more tax cuts; you have to pay for them. That is the budget discipline we had earlier in the nineties, and it worked well in drawing us out of record deficits and back into surplus.

In the past, the chairman of the Budget Committee has agreed with the Fed Chairman's wise counsel. During the fiscal year 2002 supplemental bill, the Budget chairman had this to say. This is Chairman GREGG:

> The second budget discipline, which is pay-go essentially says if you are going to add a new entitlement program or you are going to cut taxes during a period, especially of deficits, you must offset that event so that it becomes a budget-neutral event that also lapses.

He went on to say:

> . . . If we do not do this, if we do not put back in place caps and pay-go mechanisms, we will have no budget discipline in this Congress and, as a result, will dramatically aggravate the deficit which, of course, impacts a lot of important issues, but especially impacts Social Security.

The Budget Committee chairman was right then, and if he took the same position now, he would be right now because the measure we are offering is pay-go. If you want to have new spending, pay for it. If you want to have more tax cuts, pay for them. That is critically important given the fact that the deficits and debt are going up, up, and away under this underlying budget resolution.

What we are offering today eliminates the pay-go loophole. The current pay-go rule exempts all tax cuts and mandatory spending increases assumed in any budget resolution, no matter how much they increase deficits. Our proposal is to go back to what has worked in the past. It is traditional pay-go. It says all mandatory spending and all tax cuts that increase deficits must be paid for or they have to get a supermajority vote of 60 votes.

Mr. President, I yield to my colleague from Wisconsin such time as he may use.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I am very pleased to cosponsor the amendment that will be offered by my good friend, the Senator from North Dakota. There is no Senator more dedicated to a fiscally responsible Federal budget and to restoring sound budget rules than Senator CONRAD. I have had the pleasure of watching him do his work, now in his 13th year of leadership on this issue. He is an acknowledged expert on the budget and the rules that govern its consideration.

You don't actually have to be a KENT CONRAD to understand the pay-go rule. As he said, it is very straightforward. It is a commonsense requirement. Whenever Congress wants to spend money through entitlements or the Tax Code, we have to pay for it. That rule, as he pointed out in the past few minutes, has been an effective restraint on the appetites of Congress and the White House, and it was absolutely critical to our ability and success in balancing the Federal books during the 1990s.

It is no coincidence that when this body stopped following that rule, the bottom dropped out from under the budget. Four and a half years ago, the Congressional Budget Office projected that in the 10 years thereafter, the Government would run a unified budget surplus of more than $5 trillion. Now we are staring at what is almost a mirror image of that 10-year projection, except instead of healthy surpluses under any reasonable set of assumptions, we are now facing immense deficits and backbreaking debt.

This has to stop. Running deficits causes the Government to use the surpluses of the Social Security trust fund for other Government purposes rather than to pay down the debt and help our Nation prepare for the coming retirement of the baby boom generation.

As Senator CONRAD has noted, it isn't just the annual budget deficits that are the problem, it is our debt. Every dollar we add to the Federal debt is another dollar we are forcing our children to pay back in higher taxes or fewer Government benefits.

As I noted before during the pay-go debates we have had over the years, when the Government in this generation chooses to spend on current consumption and to accumulate debt for our children's generation to pay, it does nothing less than rob our children of their choices, to which I think they should be entitled, just as we have been. We make our choices to spend on our wants, but what we are doing here is saddling them with the debts they must pay from their tax dollars and their hard work, and that is not right.

That is why I am proud to join Senator CONRAD in offering this amendment to reinstate the pay-go rule. We need a strong budget process. We need to exert fiscal discipline. When the pay-go rule was in effect, that tough fiscal discipline governed the budget process. Under the current approach, it is exactly the other way around. The annual budget resolution determines how much fiscal discipline we are willing to impose on ourselves and that, obviously, simply has not worked.

When Congress decides it would be nice to create a new entitlement or enact new tax cuts, and then adjusts its budget rules to assist those policies, we are inviting a disastrous result. And that is exactly what we have seen happen.

As I noted during the budget resolution, if you want to lose weight, you set the total calories you are allowed to consume first, and then you make the meals fit under that cap. It is not the other way around. Imagine trying to lose weight by deciding what you want to eat first and then setting the calorie limit to accommodate your cravings. If you want to eat cake, fine; dial up the limit on your calorie intake. If you want a couple of extra beers—which, of course, in Wisconsin

we are fond of—that is fine, too. Raise the calorie limit accordingly.

It may taste pretty good at the time but one will probably almost certainly end up gaining weight, just like this Nation is racking up debt.

Because this ill-advised diet is exactly how the current mutated version of pay-go works, and we have seen the results, the debt we are leaving our children and grandchildren that we will have has been putting on massive amounts of weight. This amendment that the Senator from North Dakota will offer would simply return us to the rule under which Congress operated for the decade of the 1990s.

As the Chair well knows, it was instrumental in balancing the Federal budget. Many of us lived under that rule, and we know how effective it was. This amendment is a truth test. Our colleagues who are genuinely serious about reducing the deficit and returning to a balanced budget will vote for it.

A real pay-go rule by itself will not eliminate the annual budget deficits and balance the budget, but we also know that we will never get there without a real pay-go rule.

I, again, thank Senator CONRAD for his leadership on this and the other critical budget issues and I strongly urge my colleagues to support his commonsense, time-tested amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank my colleague, Senator FEINGOLD, one of the most valued members of the Budget Committee, somebody who has been absolutely consistent on these issues and who has tried over and over to get the pay-go rules reinserted so we would have some assistance in restoring budget discipline.

I told a reporter the other day I have never seen this town so disconnected from reality as it is today. We have a measure before us that they call deficit reduction in the first chapter when we all know, if we read the whole book, it has nothing to do with deficit reduction. It is explosion of debt. Because by the time we get to the third chapter, what we find out is they are going to increase the debt by $781 billion all the while they are talking about reducing the deficit. It is like words have lost their meaning. It is as though, what is the book, ''1984,'' George Orwell—war is peace, love is hate, deficit reduction is deficit increase. This labeling ceases to have meaning when people come out and say they are doing one thing, when they are doing precisely the opposite thing.

It is going to be hard to fool people about this because people know we have big deficits. The last three deficits are the biggest in our history and people know the debt is increasing. They may not know the exact numbers, but they know the debt is not going down; the debt is going up. The hard reality is this budget package that is steaming through is going to increase the debt of the United States by $3 trillion over the next 5 years and that is by their own calculations. That is not my calculation. That is not the calculation of Senator FEINGOLD. That is their own budget document's calculation. It says they are going to increase the debt $3 trillion. They are talking about over the same period of time a $39 billion spending cut, which is chapter 1. Chapter 2 is they cut the revenue $70 billion, so now they have increased the deficit. Chapter 3, they are going to increase the debt by $781 billion. That is just one year. The 5-year effect of their budget, and this is all part of the package, is to increase the debt $3 trillion, and they are going to spend a week talking about how they are reducing the deficit.

One of the best things we can do is restore the pay-go rules. Pay-go rules say if one wants to spend more money, pay for it; want more tax cuts, pay for them. That is a rule we ought to have. That is a rule we used to have. That is a rule that helped. It was not the only thing that worked, but it helped.

I hope very much that this body will adopt the pay-go provision we are putting before them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I have been listening to this debate, and my least favorite part of being in the Senate is probably the floor debate that we have because it is rhetoric. It is not the substance that we ought to be debating on the Senate floor.

What we are talking about right now is an omnibus deficit reduction reconciliation bill, and it has $39 billion worth of savings in it. One can go ahead and talk about other legislation that will come up later and add those in different directions and come up with different numbers, but what we are talking about right now is deficit reduction. We spent a lot of time and a lot of effort to get it that way. Much of it is bipartisan, but we will not hear that kind of discussion on the floor probably. One will from me because I want to give some credit to the people who have worked with me on arriving at the biggest part of this reconciliation package in a very bipartisan way.

Senator KENNEDY is the ranking member on the HELP committee, and my committee had responsibility for $13.65 billion in spending cuts over 5 years. We not only met that goal, we exceeded that goal. I want to say a little bit about how we did it. We did it in several areas. One of them is higher education. We provided more for kids going to college while we also provided savings. In the pensions area, we reduced potential outlays, and that saves money. In the area of FDIC reform, we reduced outlays so that we had savings so that we could provide for insurance for people at their retirement time that will aid communities. I will talk about all of that as we go along. I would like to begin by commending Leader FRIST and Chairman GREGG for keeping the budget reconciliation process on track this year. Our shared commitment to meaningful deficit reduction is the reason that this package is on the floor this week. The omnibus deficit reduction reconciliation bill of 2005, which is S. 1932, is an ambitious step toward meaningful deficit reduction.

The budget agreement that Congress approved in April requires eight authorizing committees to produce $34.7 billion in spending cuts. As chairman of the Committee on Health, Education, Labor, and Pensions, that is a big bite of the apple, but it is not when it comes to the budget spending. My committee received the largest reconciliation instruction. It was $13.65 billion in spending cuts over 5 years. That is nearly 40 percent of the overall target. I am pleased to report that we exceeded that target and reported legislation with a net savings of $16.4 billion over 5 years.

That is an additional $2.75 billion beyond HELP's reconciliation target. So there is a significant amount of extra savings in the health, education, labor, and pensions component of this package, title VII, which I will discuss momentarily.

Now, 2 weeks ago, the HELP Committee reported a bipartisan bill that garnered support from four Democrats, in addition to all of the committee Republicans. We achieved this savings in several ways. One was the Higher Education Act reauthorization. It has been held up for some period of time because we are trying to identify proper funding levels, and reform programs so that more people can get more training. This will ultimately lead to students obtaining better skills, resulting in fewer jobs being outsourced. It is not just a college age situation. It is a college age-to-retirement situation and it includes careers. We addressed that separately in the Workforce Investment Act reauthorization. That separate bill passed 20 to 0 in the committee. So it was unanimous and unanimously bipartisan.

I also mentioned that the HELP Committee passed a bipartisan pension bill that garnered support from both sides of the aisle, but it was not unanimous. I have to explain why. We also have to solve the pension problem in this country so that people who have earned pensions get the pensions. We have worked on a comprehensive pension package. In fact, we passed a comprehensive pension package in the HELP committee and then we merged it with a comprehensive pension reform bill from the Finance Committee. We have to go through the process of getting that bill through on the floor and then conferencing it with the House who have yet a third version of the bill. I am hoping that we can do that full package that way. But in that part of the process, when we were doing that bill as a stand-alone bill, there was one

section in there that dealt with some hybrid forms of pension plans. I had one person on one side of the aisle who did not think we had gone far enough and one person on the other side of the aisle who thought we had gone too far. So we had two dissenting votes on that whole package.

When we take the pension reconciliation to the floor, as we are doing right now, we are not able to do the comprehensive pension package that we had reported previously. We are limited to reducing the outlays, which means increasing the fees. That would not be my preference for the way to go. There is a little provision in there that says that if we pass a complete reform, it will supersede what we are doing in reconciliation. I am assuming, and am pretty sure, the dissenting votes that we had when we worked the reconciliation package out of committee, which was both a combination of the education package and the pensions package, that the dissension was over having to raise fees in the pension part of the package. Otherwise, if it had been, again, just a stand-alone on the education part, I am pretty sure we would have had a unanimous, bipartisan vote. But we did have people from both sides of the aisle, in what I consider to be fairly significant numbers, supporting this. Writing this package has been a challenging process because it has required months of bipartisan negotiations. Spending reconciliation bills involve tough choices, about which programs to responsibly reform and how to reinvest subsequent savings, while still meeting deficit reduction goals. I am pleased about the role that the Health, Education, Labor, and Pensions Committee has played in this process.

I would like to briefly walk through the Health, Education, Labor, and Pensions title of the reconciliation bill. The HELP Committee's title has two components, as I mentioned, one dealing with higher education, the other with pensions. The higher education provisions in the reconciliation legislation are similar to the comprehensive higher education reauthorization bill that the HELP Committee agreed to unanimously in September, as I mentioned.

In addition to exceeding our reconciliation target, the title VII of the legislation provides additional benefits to students and strengthens access to higher education. Now, I have to say that one of the ways that we worked enthusiastically on doing this was when we were doing the budget process and outlining how much had to be saved by the various parts. First, in the pension area, we worked hard to come up with a reasonable number that could happen without businesses being put out of business. We wanted to do it so that people would be encouraged to continue pensions. I think that we have done that.

In the education portion, I asked the chairman of the Budget Committee if we could not work a little deal where if we saved more than the $7 billion that we were required under the budget act to save, if we could not have half of what we saved, with it really not starting until we got to the $7 billion. We had to get to $7 billion but if we got to $14 billion we would get half.

That gave us some incentive to look at what is actually happening in the higher education area and see ways that we could save.

I appreciate the enthusiastic participation of everybody on the committee and their staff because that is what allows these things to happen.

I have to tell you that the largest part of this, of course, comes from ending some corporate subsidies.

Title VII of the reconciliation bill reduces the deficit by $9.8 billion over 5 years. That is an additional $2.8 billion beyond the committee's $7 billion higher education savings target.

This also provides over $8 billion in increased grant assistance for low- and middle-income students, including $2.25 billion targeted to juniors and seniors in college majoring in math and science subjects or foreign language critical to national security. That is a junior-senior package for low- and middle-income students that will, I hope, bridge the gap that we are beginning to have with China and India on having people who are technically capable of keeping our economy growing.

Again, I want to emphasize that is $8 billion of increased grant assistance for low- and middle-income students. I don't think I used the word ''rich'' students in there. Did I? No, low- and middle-income students with a special target of math, science, and foreign languages critical to national security. We have to do something in this country to launch a greater interest in math and science if we are going to maintain the economic edge that we have at the present time. Our kids have to realize there is competition out there, that there are people who want their jobs, that there are people out there who want to be the employer of Americans, not the employee of Americans.

We have the $8 billion in increased grant assistance for low- and middle-income students.

It also reduces borrower origination fees which will benefit the students who finance some or part of their education through loans. That is a cost of $1 billion.

It incorporates language to provide financial relief to students impacted by Hurricane Katrina, including cancelling loans disbursed in the 2005–2006 academic year to students in impacted areas. That is a cost of $105 million.

Those are loans that could be difficult to use in light of the hurricane. But it takes care of that part.

We have an interest in doing some other things and need to do some other things with it yet.

But that is an outline of how cumulatively the higher education reforms save approximately a net of $9.8 billion, bringing the total deficit reduction in the package to $16.4 billion over 5 years.

I want to emphasize that those things are paid for that we talk about there.

The second component of the HELP Committee title addresses premiums to the Pension Benefit Guaranty Corporation, PBGC. The understanding when the resolution was adopted in April was that an additional $6.65 billion in deficit reduction would be achieved through pension reforms. It continues to be my hope that these savings can be accomplished in a bipartisan fashion outside of reconciliation. In reconciliation, however, we are in a position to only raise the PBGC premium instead of also addressing the funding rule that will ultimately determine plan solvency. In other words, this could drive more people into bankruptcy. But it is the best that we can do under the rules we have under budget reconciliation.

This legislation makes three changes to the current law that will generate approximately $6.7 billion in savings over 5 years. Here is how it does it.

It first increases the flat-rate premium paid by all single-employer plans, and it increases it from $19 to $46.75 per participant and indexes the increase to wage inflation.

Next, it raises the participant premium for multi-employer plans from $2.60 to $8 immediately, and likewise indexes the increase to wage inflation.

Third, it includes a new premium requiring companies to terminate their defined benefit plans through bankruptcy to pay a premium of $1,250 per participant for 3 years but only after the company successfully emerges from bankruptcy.

Why did we do that third part? That should be a part of coming out of bankruptcy—to repay some of the money that had to be potentially paid out, and paid out during the time the company was going through bankruptcy. But if we don't do that third part, what we were faced with doing was going with the singly-employer plan, flat-rate premium going from $19 to $59. We were able to keep it back at $46.75. Under the comprehensive bill, again, which I prefer to do, but it is not an option at this point in time, that would raise the premium to only $30 per participant. That is still a pretty significant rate, $19 to $30 per participant. And the reconciliation measure before us raises the premium to $46.75 per participant.

There are savings under the comprehensive reform, but this meets the requirements of getting to that $6.7 billion with the assurance that PBGC will be able to meet its payments as people's retirements come up who have been relegated to that system.

The short answer to why the premium was raised so high is we do not have as many legislative options in reconciliation as we have outside reconciliation. But it has to be done. This is one of the two to get it done. None of us want this premium ultimately to

be enacted into law. Adopting a comprehensive reform will solve that problem. But for now, the premium of $46.75 is the ''least bad'' option that we face.

To be clear that this premium label will be reduced, the bill language includes a special rule that the premiums contained in the reconciliation bill shall not go into effect if comprehensive pension reforms that accomplish the same savings are enacted before the end of this year. It is a pretty tight timeline.

I would also like to address some of the additional titles in the reconciliation package.

Two weeks ago, the Senate Banking Committee passed a budget resolution package that included S. 1562, the Safe and Fair Deposit Insurance Act of 2005. That is a bill that I introduced this year along with Senators JOHNSON, HAGEL, and ALLARD. S. 1562 gained the support of a wide majority of Republicans and Democrats on the Banking Committee before the markup. It is also supported by the Department of the Treasury and the FDIC. I believe passing S. 1562 is crucial for the healthy operations of our Nation's banks and credit unions. The current FDIC system is in desperate need of improvement. Over the past 20 years, deposit insurance has been eroded by inflation and growing deposits falling to the dangerously low levels we have today. S. 1562 would give the FDIC statutory authority to make the deposit insurance fund healthy again, and in a way that accounts for the riskiness of each of the institutions it insures.

This bill is very important to keep the retirement funds and savings of Americans safe. In our rural towns and communities, depositors depend upon their local credit union or their local bank to deposit their hard-earned money. These financial institutions, in turn, lend money to local businesses and invest in their communities. This relationship benefits the customer, the institution, and the community. My bill would ensure that this relationship can continue into the future, adapting to changing economic cycles or unexpected crises.

I am also pleased the Senate Energy Committee included provisions to meet its budget reconciliation target that allows for responsible exploration in ANWR. With the energy crises our Nation faces, it is imperative that we make the most of our domestic supply. Wyoming is contributing dramatically to that supply but nothing like what could be done with ANWR. ANWR is a world-class resource, and with proper protections in place—and there are proper protections—we can recover the resource without damaging the area.

While the ANWR provisions will help our Nation's energy crisis, another rumored provision threatens to further burden consumers and burden an important industry in my State. Fortunately, the Judiciary Committee did not include a tax on explosives to meet their reconciliation goal. Such a tax would have been extremely costly to the mining industry and, in my view, did not make sense. The committee's decision to use other methods to meet their reconciliation number ensures that in this energy crisis consumers are not forced to pay even more to heat their homes and keep on the lights.

I want to reiterate just a little bit that in this budget reconciliation package the biggest part of the heavy lifting comes from Health, Education, Labor and Pensions.

We worked in a bipartisan way to provide for higher education and additional benefits for low- and middle-income students, and for juniors and seniors in that low- and middle-income situation to provide even more, if they will do math and science to meet some critical needs for their country. We have taken care of pensions.

There are some important things in this bill that should not be confused with other bills or other times. There are some very significant things that can happen if we can get this done. They can happen immediately for many of our college students.

I will work as much as possible to make sure that any savings that come from education go to education.

I really think that is the way it has to be. That is the principle under which my committee worked to make sure that we had the incentive for savings.

In closing, I look forward to working with my colleagues this week and in conference to complete work on this important legislation.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from North Dakota.

AMENDMENT 2351

Mr. CONRAD. Mr. President, I ask unanimous consent to lay aside the pending amendment and to call up my amendment on pay-go, which is at the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. NELSON of Florida, and Mr. FEINGOLD, proposes an amendment numbered 2351.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To fully reinstate the pay-as-you-go requirement through 2010)

At the end of title VI, insert the following:

**SEC. ___. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.**

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any 1 of the 3 applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term ''applicable time period'' means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term ''direct-spending legislation'' means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms ''direct-spending legislation'' and ''revenue legislation'' do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of ⅗ of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2010.

Mr. CONRAD. Mr. President, I also ask unanimous consent that the Democratic leader be recognized when the Senate reconvenes at 2 p.m.

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

Mr. CONRAD. Mr. President, I now yield 10 minutes to the Senator from

Florida, Mr. NELSON, who is a very important member of the Senate Budget Committee. Senator NELSON has been one of the most consistent Members on the Budget Committee, insisting on a return to fiscal discipline. I very much appreciate his leadership on this pay-go amendment, which is an attempt to restore the basic budget discipline.

The PRESIDING OFFICER. Does the Senator from North Dakota yield time off general debate or the amendment?

Mr. CONRAD. I will yield time off the amendment.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Thank you, Mr. President.

As we judge this question of whether we have any fiscal sanity here, I thought, in the old days, when I came here 27 years ago and was a freshman member of the House Budget Committee, that fiscal conservatism was that we tried to balance the budget and that we did so through the very painful process of spending cuts and tax increases.

Yet we have been on a course since I came back to Washington 5 years ago, having entered into a fiscal condition of this country where we had a very healthy surplus, that is exactly the opposite. We have gone on a course that calls for tax cuts and spending increases, and, ''va-boom,'' suddenly the big surplus has vanished. We have a huge deficit and a huge deficit that is projected for years into the future to add to the national debt by some $5 trillion over the course of the next decade.

Is it any wonder that some economic sectors of the economy are getting a little shaky? I can tell you that the demands on spending are not going to subside.

I just came back from Florida yesterday, from a very poor section of Florida that got hit with winds clocked as high as 158 miles an hour coming off of Lake Okeechobee at Belle Glade and Pahokee and South Bay. And those communities are devastated. They need help in jobs. They need help with infrastructure. They need help with trying to exist.

Yet we are facing a budget brought to the Senate today to cut social programs in order to finance additional tax cuts. Something is wrong with this picture. It is not bringing America back to the fiscally conservative position of moving toward balancing the budget.

We had a fiscal year ending with a deficit of over $400 billion. We are moving to a deficit in this fiscal year of over $300 billion and all of that is adding to the national debt.

We have a budget that, in fact, is providing $39 billion in savings, but next week we will consider a budget that is going to take away all of those savings with $70 billion in tax cuts, for a net of $31 billion more in debt. Is this the kind of fiscal policy we ought to be conducting and an annual deficit that keeps going up and up, that took us out of surplus, and is taking us into the red more and more with the national debt? I don't think so.

I thank my former chairman and the ranking member, the distinguished Senator from North Dakota, who says this Senator has been consistent in saying exactly this. It seems it is wrongheaded and reverse conservative economics.

When we look at where some of these spending cuts are coming from, they are coming from student loans, $7 billion in cuts and increased fees. By the way, I visited two of our State universities this past weekend, visiting with the administration of two of the distinguished universities in Florida. Florida tuition rates are going up. The minority communities, particularly in Historically Black Colleges, are having a very difficult time. They have dropping enrollment because those students are not able to get the financial assistance. Is this the equal opportunity society we want for America? I don't think so. Why are we cutting student loans?

The ability of America to be competitive in the global marketplace depends on us having an educated public. So we are adopting, if this budget is passed, a policy that says we do not think student loans and financial assistance are a priority. That is like the farmer who goes out and eats his seed corn and then he doesn't have any corn the next year to plant for the crop. This is not the kind of policy we should have.

On the other side of the Capitol, the House has cuts in their budget that will come to conference, and of course they will insist in conference committee that their cuts prevail—food stamps, cut $844 million. They had $9.5 billion cut in Medicaid, the health care program for the poor. Food stamps, the food program for the poor. Child support enforcement, $5 billion cut in the House.

I thought we were in a society that wanted to encourage going after deadbeat dads to support their children. Are we going to cut this enforcement of child support? That is what is coming over from the House. Federal foster care assistance; how many children do we have today who need foster care? We need to promote adoption, but we do not get all of the adoptions completed. There are children who need homes. And we are going to cut that Federal support for foster care?

Somehow if we continue down the line of this kind of thinking, we are continuing to push this country to a country of haves and have-nots. That is not where we want to go. I am going to offer an amendment next week when we have the tax section of this budget reconciliation to say if we are going to have tax cuts, true fiscal conservatism, we are going to have to pay for them. What the American people want, if we are going to have spending increases and if we are going to have additional tax cuts—which is the drop in revenue the American people want—is for spending increases and tax cuts to be paid for. We have one right here. It is Senator CONRAD's amendment. We will have another one next week and it will be my amendment. Let's start supporting some fiscal conservatism around here.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Florida for his remarks. I thank him, as well, for his leadership. I have thought many times I wish there were more BILL NELSON's in the Senate because he has been a very strong voice on fiscal responsibility and in paying our bills and not shoveling the debt off to our kids and not continuing this policy of borrowing more and more money from abroad.

Is the Senator seeking recognition to respond?

Mr. ENZI. I was going to offer an amendment Senator KENNEDY will want to speak on. We are working here together.

Mr. CONRAD. Mr. President, parliamentary inquiry: At this point we are on the pay-go amendment. It would require consent, would it not, to lay aside the pending amendment?

The PRESIDING OFFICER (Mr. ALLEN). That is correct.

Mr. CONRAD. If I might say to my colleague, if we could go to Senator KENNEDY, he has only requested 5 or 10 minutes, and then at that point we could consider the amendment.

Mr. ENZI. I have no problem.

Mr. CONRAD. Senator KENNEDY is recognized for 10 minutes.

Mr. KENNEDY. Seven minutes is fine.

Mr. CONRAD. I yield 7 minutes or the time the Senator might consume.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I commend the Senators from North Dakota and from Florida, my colleagues, who have spoken so eloquently about the fundamental challenge facing this Nation in terms of its priorities. They have outlined in significant detail the choices before this country. We will define the priorities this week and next week in allocating scarce resources for this Nation. They have spoken very clearly, effectively and convincingly. I intend to support their leadership on the underlying legislation.

A few hours ago I had the opportunity with my friend and colleague, the chairman of the Subcommittee on Appropriations for Labor, Health and Human Services and Education, Senator SPECTER, to attend at NIH the President's announcement of his program on the avian flu virus. This is an issue which the Senate has also, appropriately, focused on.

We have had a number of colleagues very much involved in this debate, led by my friend, the Senator from Iowa, Senator HARKIN, including Senator OBAMA from Illinois, Senator REID

from Nevada, Senator BAYH from Indiana, and Senator DURBIN from Illinois. Others have been very much involved in this issue, including the majority leader and others.

Last week, the Senate appropriated $7.9 billion to develop the vaccines, antivirals, global detection system, surge capacity, and other priorities necessary to protect the public health. The President reiterated strong support for those efforts. Global detection is a high priority; the ability to detect locally in the United States, a high priority; the development of vaccines, a high priority; the development of antivirals, a high priority; and cell research, a high priority, so we can have an alternative in the development of vaccines as opposed to research on eggs which have been used in the past.

We have, at last, a proposal by the administration on how we ought to deal with the avian flu. I commend the leadership provided by the chairman of our HELP Committee, Senator ENZI, and also Senator BURR, who has been very involved and active in developing legislation, including incentives to attract new investment into developing and stockpiling antivirals and vaccines.

Hopefully, we will be able to work out a system by which those, particularly the first responders, who take the vaccines or antivirals and suffer adverse consequences will have some opportunity for compensation. We also want to make sure the companies are going to reproduce these products in ways which meet high standards, and we are in the process of doing that.

Senator ENZI and Senator BURR have been working on this issue for some time. We have all enjoyed working with them. We will all examine carefully the details of the President's preliminary proposal. The Senate is on record now, voting for $7.9 billion for these endeavors. This has been an enormously important undertaking.

The President has talked about $7.1 billion; the Senate passed the Harkin proposal for $7.9 billion; and Senator GREGG has offered $4.4 billion. The appropriations will have to be worked on through. Under the leadership of Senator HARKIN, the Senate has responded to this challenge with a very effective downpayment. We certainly look forward to working with the administration on the proposal we have just received.

As we talk about priorities for this country, I also want to mention the achievement of our Committee on Health, Education, Labor and Pensions under the leadership of Senator ENZI. The bill we reported significantly and dramatically increases need-based aid and other benefits for students struggling to afford college. The bill includes $11.5 billion in new funding for this purpose, and still meets the reconciliation target for savings mandated by the Committee on the Budget. The House did not follow that pattern.

The House did not follow the pattern of the Senate. But we will see an increase from $4,050 to $4,500 in the maximum grant for Pell-eligible students. That is an extraordinary achievement and accomplishment. As one who has been out here, even recently, trying to get an increase of $200 in the Pell grants, to know this is going to be achieved—a $450 increase—is enormously important. Then there are the additional kinds of programs that will provide some $1,500 on top of that for Pell-eligible students studying math and science and high-need foreign languages. It is really a downpayment, in a very important way, in improving the nation and making the nation more competitive in math and science.

So I certainly hope our colleagues will get a chance to examine exactly what we did on the higher education proposals. There are some items that I might have altered or changed, but I think the overall results on this will be enormously important to students.

Mr. President, how many minutes do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 15 seconds remaining.

Mr. KENNEDY. Mr. President, I ask the Senator, may I have 2 more minutes?

Mr. CONRAD. Mr. President, I am happy to yield an additional 2 minutes to the Senator.

Mr. KENNEDY. Finally, when we are talking about the substance of the matter on education and what has been achieved, we also want to be very conscious of the fact that some 370,000 children in the Gulf area—in Louisiana, Mississippi, and Alabama—were displaced by the hurricanes. We know there has been an enormous upheaval in these children's lives. We have not, to this date, provided help and assistance to those children and to the schools that are trying to educate those children.

I certainly hope in this reconciliation bill we have the opportunity to provide a downpayment to help those children. We have listened to the eloquence of the Senators from Louisiana, from all the Senators from the gulf region, but particularly the Senators from Louisiana, MARY LANDRIEU and DAVID VITTER—others as well—on this issue. But I would hope from the eloquence and the sense of need that has been outlined on the floor, and in meetings that all of us have had with Senator LANDRIEU and others about the needs of these children, that we would somehow find the opportunity to provide help and assistance to these children in this current legislation.

I see on the floor the former Secretary of Education, Senator ALEXANDER, who has fashioned and shaped and worked with us on a proposal that can make an important difference to the children in that region. I am very thankful to him, and to Senator DODD, and of course to our chairman, Senator ENZI, for all their work on this. I am very hopeful we will have an opportunity, this week, to meet our responsibilities to these children. These children did not know about this hurricane. The hurricane affected children in public schools and private schools. I think this is an urgent national challenge in a very real way. When children are presented with that kind of a situation, common sense, decency, and our values require us to provide help and assistance to them. Our children and our schools cannot wait any longer for the relief they so obviously and urgently need and deserve. I look forward to working with our colleagues to address those particular needs this week.

I thank my colleague, Senator CONRAD, for yielding this time.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask unanimous consent to set aside the pending amendment so I can offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, reserving the right to object, and I will not object, I do want to, for the record, indicate we have had a number of requests that we move to delay the offering of this amendment. I will not do that.

Senator ENZI has been a very responsible member of the committee. He has every right to offer his amendment. The fact is, if he were delayed at this point, he could offer his amendment later. So those who are seeking to delay might force him into the vote-a-thon, but I believe Senator ENZI, who has been a fully responsible member of the committee, deserves his opportunity to offer this amendment, and I will not object.

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

AMENDMENT NO. 2352

(Purpose: To provide elementary and secondary education assistance to students and schools impacted by Hurricane Katrina and to lower origination fees)

Mr. ENZI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will please report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for himself, Mr. KENNEDY, Mr. ALEXANDER, and Mr. DODD, proposes an amendment numbered 2352.

Mr. ENZI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. ENZI. Mr. President, I join my colleagues, Senator KENNEDY, Senator ALEXANDER, and Senator DODD, in offering an amendment to S. 1932, the Deficit Reduction Omnibus Reconciliation Act of 2005.

As chairman of the committee on Health, Education, Labor, and Pensions, my committee received the largest reconciliation instruction of $13.65

billion in spending cuts over 5 years. That is nearly 40 percent of the overall target. I am pleased to report that we exceeded that target, and reported legislation that will net $16.4 billion over 5 years. That is an additional $2.75 billion beyond HELP's reconciliation target. So there is a significant amount of extra savings in HELP's component of this package—Title VII—which this amendment addresses.

This amendment ensures that extra savings generated from education will be returned to education. Let me be clear, additional savings from students should be returned to students, just as they are in the other part of the reconciliation bill.

The amendment provides additional relief for students enrolled in postsecondary education who take out Federal student loans to pay for their education expenses. This amendment also addresses the elementary and secondary education challenges faced by the 372,000 schoolchildren displaced by Hurricane Katrina, their families, and the schools that opened their doors to accommodate the thousands of displaced students.

I congratulate Senator ALEXANDER for his tremendous work in this area. He is in charge of the subcommittee that handles this area and did a tremendous job of pulling together different people, different opinions, different situations in coming up with a very comprehensive amendment that would solve those issues. I have to say, he did that in conjunction with Senators KENNEDY and DODD and myself. It was a very bipartisan effort.

There are some very sticky issues in this area that needed to be dealt with, and were dealt with, and it will take care of a significant body of students that need some significant help to make sure they get their education this year. We do not want kids in K through 12 out of school. We want them in school. And when we are forcing them on to other schools, we want to make sure that is taken care of, too.

First, I will discuss the additional relief for students enrolled in postsecondary education. The Higher Education Act amendments that are included in S. 1932 represent a significant boost in need-based grant aid for our neediest postsecondary students. Also included is a provision to relieve the fees that students pay to borrow under the Federal student loan programs.

The amendment I am offering today provides significant benefits to student borrowers, and makes Federal student loans more affordable. The amendment would reduce even further those origination fees for postsecondary students. The current fee of 3 percent would be reduced to 2 percent. Origination fees were originally applied to help reduce Federal spending on the guaranteed student loan program. It is time that students stop paying these fees to ensure the program's solvency.

Reducing these fees for students will save dependent students up to $500 dollars and will save independent and graduate students even more.

The average dependent student borrowing under the Federal Family Education Loan program or the Direct Loan program currently pays several hundred dollars in origination fees. Since the majority of students capitalize these fees, they will also pay interest on these fees for 10 years or more. Independent students could pay twice as much.

Over the life of the student's loan, these fees and the interest paid on them can add up to several thousand dollars, and they do not help students pay for tuition. These fees do not make any difference on the ability of students to afford college, and in many cases they only represent additional expenses.

This amendment begins to phase out these fees. At the 6.8 percent interest rate in the underlying higher education bill, this change could save dependent students nearly $500 over the life of their loans. Over $125 of that would be interest payments. With this amendment, independent students could save more than $1,000 and graduate students would save even more.

This amendment also addresses the elementary and secondary education challenges faced by the 372,000 schoolchildren displaced by Hurricane Katrina, their families, and the schools that opened their doors to accommodate them.

This amendment includes provisions from the Hurricane Katrina Elementary and Secondary Education Recovery Act, which is S. 1904, a bipartisan compromise that accomplishes the common goal of providing relief to support the instruction and services that the students displaced by this terrible storm need in order to continue their education, regardless of whether it is in a public or nonpublic school.

Over 300,000 students and their families were displaced by Hurricane Katrina. Their lives were disrupted, and they have no sense of when they will be able to return to their home communities. With this amendment we will be providing one-time, temporary, emergency aid on behalf of these students. All of us can agree that these displaced students deserve help to continue their education under these extraordinary circumstances caused by a disaster of unprecedented scope.

According to the U.S. Department of Education, schools in 49 States and the District of Columbia have opened their doors to help students displaced by this storm. Nine States have received more than 1,000 displaced students. Texas has enrolled as many as 60,000 students. The Houston independent school district alone enrolled 4,700 displaced students, hired 180 new teachers, added 37 new bus route, and ordered about 10,000 new textbooks to accommodate them. These statistics represent just the tip of the iceberg in terms of the number of schools that have accepted displaced students from the Gulf States. Approximately 25 to 30 percent of these students were attending nonpublic schools, and in their new communities the nonpublic schools have opened their doors to these students.

These States and schools need realistic, fiscally responsible assistance from the Congress to accommodate the students they have taken into their education system. This amendment will provide the relief necessary to support the instruction and other school services the displaced students need regardless of the school they are attending. Students will get the education services they need so that they can return as quickly as possible to their home school district without losing educational ground at a time when their lives have been turned upside down.

Our top concern was to make sure that all displaced students continued their education. School provides a sense of routine that is important in assuring students that things will return to normal. School provides them with access to a support system of friends and teachers, which is invaluable as they and their families continue to come to grips with the aftereffects of the storm. Some students are already returning home as their schools reopen, but severe problems of displacement do remain. Many schools will remain closed for the entire school year.

This amendment does not make permanent changes to Federal education laws. It is a one-time, temporary solution that sets aside ideological differences to make sure children are not harmed unnecessarily by the impact of this unprecedented disaster.

Developing this language was a difficult task, as we have limited resources, but we are faced with an almost unlimited need. It provides a comprehensive approach to address the needs of the hundreds of thousands of students who have been displaced. It focuses on the immediate needs of students with the expectation that they will return home to their local school.

Let me describe what this amendment does. First and foremost, it provides support for all displaced students, ensures accountability, and is fiscally responsible. Children displaced by this storm do not have the resources of their home communities to rely on for friends, activities, learning opportunities, and stability. These resources will assist students in their adjustment to new schools, new materials and standards, new classmates, and new teachers.

The amendment provides for a restart fund for special school reopening grants for school districts directly affected by the hurricane. These grants are meant to supplement FEMA funding to ensure the effective use of Federal funds. They can be used to repurchase textbooks and instructional materials, establish temporary facilities while repairs are being made, help reestablish the data that was destroyed,

and pay salaries of teachers and other personnel who are working to reopen these schools.

The largest portion of the funding under this amendment is focused on easing the temporary transition of students into new schools, both public and nonpublic, through one-time emergency aid. These funds will be used to help defray the additional costs incurred as a result of enrolling displaced students, and they can be used for purposes such as supporting basic instruction, purchasing educational materials and supplies, and helping schools temporarily expand facilities to relieve overcrowding.

It provides assistance to schools in a nonideological and responsible way. It is based on the number of students, public and nonpublic, reported by local school districts to the State. The funding flows through regular channels to local school districts and accounts established on behalf of students attending nonpublic schools. The amendment maintains public control of public money to ensure accountability.

Quarterly payments are made based on the head count of the displaced students temporarily enrolled in schools, with a maximum amount of $6,000—$7,500 for students with disabilities—per displaced students, or the cost of tuition, fees and transportation for nonpublic students, for the four payments.

States apply for these funds and are required to establish income eligibility criteria for aid on behalf of students in nonpublic schools. Nonpublic schools must waive or reimburse tuition in order for accounts to be established for their displaced students. Parents of displaced students must clearly make the choice for their child to attend a nonpublic school, and the nonpublic school must attest to the use of funds and the numbers of displaced students in attendance. Nonpublic schools shall use funds in secular and neutral ways, not for religious instruction, proselytization, or worship. Displaced children cannot be discriminated against on the basis of their race, color, national origin, religion, disability, or sex.

The assistance provided through this amendment is temporary. It sunsets at the end of this school year. This amendment is necessary because of the extraordinary circumstances and the emergency nature of this situation.

Through the savings in this reconciliation bill, we have the opportunity not only to authorize programs that will serve the thousands of children affected by Hurricane Katrina, but to defer the costs required to meet their education needs. Investing these funds in this way will meet an immediate need, but education is a longer-term investment in the future of our country and its ability to compete in a global economy. We must focus our efforts on ensuring that the educational needs of the children affected by this unprecedented emergency are addressed, and I believe that this amendment achieves that goal.

I urge my colleagues to support this amendment, and support returning additional education savings to the education needs of our students. I urge my colleagues to support student access to postsecondary education, which is critical to our ability to compete in the global marketplace. I can think over no better investment in the future of our students, businesses and Nation.

I ask unanimous consent that Senator LANDRIEU be added as a cosponsor of the amendment.

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

Mr. ENZI. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, when Senator REID is recognized at 2 p.m., I yield him such time as he may consume.

I understand the Senator from Virginia has a motion at this time.

The PRESIDING OFFICER. The Senator from Virginia.

## ROSA PARKS FEDERAL BUILDING

Mr. WARNER. Mr. President, I thank my distinguished colleague.

I take this opportunity to propound a unanimous consent request. It has been cleared on both sides.

I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2967, received from the House.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2967) to designate the Federal building located at 333 Mt. Elliott Street in Detroit, Michigan as the ''Rosa Parks Federal Building''.

There being no objection, the Senate proceeded to consider the bill.

Mr. WARNER. Mr. President, I ask unanimous consent that the bill be read three times, passed, the motion to reconsider be laid upon the table, and any statements related thereto be printed in the RECORD.

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

The bill (H.R. 2967) was read the third time and passed.

Mr. WARNER. Mr. President, last week the Senate addressed an identical piece of legislation offered by our distinguished colleagues from Michigan, Senators STABENOW and LEVIN. Senator REID was very active in the consideration of that bill at that time. With the consent on that side and the consent of others on this side, I was successful in getting on an amendment that I had been working on for some 3 years, with Senator LEAHY and others, to name the new annex to the District of Columbia Federal courthouse system in honor of William Bryant. I have known this outstanding African American much of my life, having served as a young U.S. attorney. He was one of our great teachers at that time, having been a senior U.S. attorney. He was the first African American assistant U.S. attorney, the first African American to become chief judge of the district court. He is 94 years old now and in senior status, and I thought it appropriate that the Senate pass that recognition. That bill by the Senator from Michigan, as amended by the Senator from Virginia, was passed by this Chamber last week. I have been assured by the Speaker of the House of Representatives that bill will be on tomorrow's consent calendar. So both bills will be acted upon in due course. This particular bill was introduced by Congresswoman KILPATRICK, in whose district the courthouse will be named. Therefore, it is appropriate that there be a companion piece of legislation.

I thank all those who participated in this and made it possible.

I yield the floor.

## RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having arrived, the Senate will stand in recess until 2 p.m.

Thereupon, at 12:35 p.m., the Senate recessed until 2:05 p.m. and reassembled when called to order by the Presiding Officer (Mr. BURR).

## DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005—Continued

The PRESIDING OFFICER. Under the previous order, the minority leader is recognized.

Mr. REID. I thank the Chair.

Mr. President, just a couple of days ago, my son Leif called me and indicated that his lovely wife Amber was going to have another baby. That will be our 16th grandchild.

Mr. President, I have been in public service a long time. Never have I been so concerned about our country. We have gas prices that are really unbelievable. This year, gas prices have been over $3 in the State of Nevada. Diesel fuel is still over $3 a gallon in Nevada.

The majority leader of the House of Representatives is under indictment. The man in charge of contracting for the Federal Government is under indictment. We have deficits so far you can't see them. The deficits have been basically run up by President Bush's administration these last 5 years.

We are the wealthiest nation in the world, but we are very poor as it relates to health care. We have an intractable war in Iraq. Is it any wonder that I am concerned about my family, my grandchildren?

This past weekend, we witnessed the indictment of I. Lewis Libby, the Vice President's Chief of Staff, also on the President's staff, a senior adviser to the President.

Mr. Libby is the first sitting White House staffer to be indicted in 135

years. Is it any wonder that I am concerned about my grandchildren?

This indictment raises very serious charges. It asserts this administration engaged in actions that both harmed our national security and were morally repugnant. A decision made to place U.S. soldiers, our military, into harm's way, I believe, is the most significant responsibility the Constitution invests in the Congress and in the President. The Libby indictment provides a window into what this is really all about: how this administration manufactured and manipulated intelligence in order to sell the war in Iraq and attempted to destroy those who dared to challenge its actions.

These are not just words from HARRY REID. COL Larry Wilkerson, Colin Powell's former Chief of Staff—Colin Powell, of course, was Secretary of State—this man was Chief of Staff for 4 years. Here is what he said about the war in Iraq.

In President Bush's first term some of the most important decisions about U.S. national security, including vital decisions about postwar Iraq, were made by a secretive, little known cabal, made up of a very small group of people led by Vice President DICK CHENEY and Defense Secretary Donald Rumsfeld. But the secret process was ultimately a failure. It produced a series of disastrous decisions.

That is what I am here to talk about today. As a result of its improper conduct, a cloud now hangs over this administration. This cloud is further darkened by the administration's mistakes in prisoner abuse, Hurricane Katrina, and the cronyism and corruption in numerous agencies throughout this administration.

Unfortunately, it must be said that a cloud also hangs over this Republican-controlled Congress for its unwillingness to hold this Republican administration accountable for its misdeeds on these issues.

During the time we had a Democratic President—8 years—and when the Democrats were in charge of the committees, we were in the majority, oversight hearings were held covering the gambit of what went on in that administration. Today, there is not an oversight hearing held on anything.

Let's take a look back at how we got here with respect to Iraq. The record will show that within hours of the terrorist acts of 9/11, senior officials in this administration recognized those attacks could be used as a pretext to invade Iraq. The record will also show that in the months and years after 9/11, the administration engaged in a pattern of manipulation of the facts and retribution against anyone who had gotten in its way as it made its case for attacking, for invading Iraq.

There are numerous examples of how the administration misstated, and manipulated the facts as it made the case for war. The administration's statements on Saddam's alleged nuclear weapons capability and ties with al-Qaida represent the best examples of how it consistently and repeatedly manipulated the facts. The American people were warned time and time again by the President, the Vice President, the current Secretary of State in her other capacities, about Saddam's nuclear weapons capabilities. The Vice President said:

> Iraq has reconstituted its nuclear programs.

Playing upon the fears of Americans after September 11, these officials and others raised the specter that if left unchecked Saddam could soon attack America with nuclear weapons. Obviously, we know now that their nuclear claims were wholly inaccurate. But more troubling is the fact that a lot of intelligence experts were telling the administration then that its claims about Saddam's nuclear capabilities were false—the situation very similar with respect to Saddam's links to al-Qaida. The Vice President told the American people:

> We know he's out trying once again to produce nuclear weapons and we know he has a longstanding relationship with various terrorist groups including the al-Qaida organization.

These assertions have been totally discredited—not a little bit, totally discredited. But again the administration went ahead with these assertions in spite of the fact that the Government's top experts did not agree with these claims. Again, Wilkerson is a person in point.

What has been the response of this Republican-controlled Congress to the administration's manipulation of intelligence that led to this protracted war in Iraq? Nothing.

Did the Republican-controlled Congress carry out its constitutional obligations to conduct oversight? No.

Did it support our troops and their families by providing them the answers to many important questions? No.

Did it even attempt to force this administration to answer the most basic questions about its behavior? No.

Unfortunately, the unwillingness of the Republican-controlled Congress to exercise its oversight responsibilities was not limited to just Iraq. We see it with respect to the prison abuse scandal. We see it with respect to Katrina. We see it with respect to the cronyism and corruption that permeates this administration. Time and time again, this Republican-controlled Congress has consistently chosen to put its political interests ahead of our national security. They have repeatedly chosen to protect the Republican administration rather than to get to the bottom of what happened and why it happened.

There is also another disturbing pattern; namely, about how this administration responded to those who challenged its assertions. Often this administration's activity sought to attack and undercut those who dared to raise questions about its preferred course. For example, when General Shinseki indicated several hundred thousand troops would be needed in Iraq, his military career was ended, he was fired, relieved of duty, when he suggested it would take 200,000 troops. Well, it has taken a lot more than that.

When the OMB Director Larry Lindsey suggested the cost of this war would approach $200 billion, he was dumped, fired.

When the U.N. chief weapons inspector Hans Blix challenged the conclusion about Saddam's weapons of mass destruction capabilities, the administration simply pulled out its inspectors.

When Nobel Prize winner and head of the IAEA Mohamed ElBaradei raised questions about the administration's claims of Saddam's nuclear capabilities, the administration attempted to remove him from his post.

When Ambassador Joe Wilson stated there was no attempt by Saddam to acquire weapons from Niger, the administration not only went after him to discredit him, they launched a vicious and coordinated campaign, going so far as to expose the fact that his wife worked as a CIA spy. These people now have 24-hour protection, fearing for their own safety.

Given this administration's pattern of squashing those who challenge its misstatements—and I have only mentioned a few—what has been the response of the Republican-controlled Congress? Absolutely nothing. And with their inactions, they provide political cover for this administration at the same time they keep the truth from our troops who continue to make large sacrifices in Iraq.

Everyone may think the troops in Iraq are 100-percent Republican. I have met a friend, a marine. He was over there when the elections were held 10 months ago. He said where he was, he never even went to the bathroom without a rifle. Wherever he was on duty, all over this area, he said he could not find anyone who was happy with the way the elections turned out. The Republicans will do anything they can to keep the truth from people such as my marine friend. I would give you his name except he is stationed right here in the Marine Corps.

This behavior is unacceptable. The toll in Iraq is as staggering as it is solemn. More than 2,000—2,025 now—Americans have lost their lives. Over 90 Americans have paid the ultimate sacrifice in the month of October alone, the fourth deadliest month in this ongoing 3-year war. More than 15,000 have been wounded. More than 150,000 remain over there in harm's way. Enormous sacrifices have been made and continue to be made.

We have had soldiers and marines from Nevada killed, from Ely, from Las Vegas, from Henderson, from Boulder City, from Tonopah. Every time one of these deaths occurs, it is a dagger in the heart of that community.

This behavior is unacceptable. I am a patient man, Mr. President. I am a legislator, and I know things don't happen

overnight. I am a patient man. But the call from my son has put this in perspective. I am worried about my family. The toll in Iraq is as staggering, I repeat, as it is solemn. The troops and the American people have a right to expect answers and accountability worthy of that sacrifice.

For example, more than 40 Democrats wrote a substantive and detailed letter to the President asking four basic questions about this administration's Iraq policy, and we received a four-sentence answer in response:

> Thank you for your letter to the President expressing your concerns with Iraq. I shared your letter with the appropriate administration officials—

Remember, we wrote it to the President—

> and agencies responsible for formulating policy recommendations in this area. Please be assured your letter is receiving close and careful attention. Thank you for your comments. Candy Wolff.

That is a letter that duly elected Senators of the United States Senate wrote to the President of the United States, and we get a letter from Candy Wolff saying: Thanks, we're working on it.

America deserves better than this. They also deserve a searching, comprehensive investigation into how the Bush administration brought this country to war. Key questions that need to be answered include: How did the Bush administration assemble its case for war against Iraq? We heard what Colonel Wilkerson said.

Who did the Bush administration listen to and who did they ignore?

How did the senior administration officials manipulate or manufacture intelligence presented to the Congress and the American people?

What was the role of the White House Iraq Group, or WHIG, a group of senior White House officials tasked with marketing the war and taking down its critics? We know what Colonel Wilkerson says.

How did the administration coordinate its effort to attack individuals who dared challenge the administration's assertions? We know what happened to them. I listed a few.

Why has this administration failed to provide Congress with the documents which will shed light on their misconduct and misstatements? Unfortunately, the Senate committee that should be taking the lead in providing these answers is not. Despite the fact that the chairman of the Senate Intelligence Committee publicly committed to examine these questions more than a year and a half ago, he has chosen not to keep that commitment. Despite the fact that he restated the commitment earlier this year on national television, he has still done nothing except to assemble a few quotes from Democratic and Republican Senators going back to the first Iraq war.

We need a thorough investigation that that committee is capable and tasked to do. At this point, we can only conclude he will continue to put politics ahead of our national security.

If he does anything at this point, I suspect it will be playing political games by producing an analysis that fails to answer any of these important questions. Instead, if history is any guide, this analysis will attempt to disperse and deflect blame away from this administration.

Mr. BOND. Mr. President, will the Senator yield for a question?

Mr. REID. Key facts about the Intelligence Committee's phase II, June 4, 2003: Intelligence Committee commits to bipartisan review of the deeply flawed intelligence on Iraq WMD phase I.

February 12, 2004, Intelligence Committee commits to phase II investigation looking at five areas, including whether the administration exaggerated and manipulated intelligence.

July 9, 2004, committee publishes phase I report on the intelligence agencies' mistakes on Iraq. Senator ROCKEFELLER says publicly that phase II is as yet unbegun. Republican Chairman ROBERTS says it is one of my top priorities.

July 11 on ''Meet the Press,'' Republican Chairman ROBERTS says:

> Even as I'm speaking, our staff is working on phase II and will get it done.

Fall of 2004, House Intelligence Committee, after no follow- through on the Iraq WMD investigation, the House announced on May 2003 no final report.

Republican Committee Chairman Porter Goss is selected as CIA Director. Regarding the question of the Valerie Plame leak, Goss previously said: ''Show me a blue dress and some DNA and I will give you an investigation.''

November 2004, we had the Presidential election.

March 2005, the President's handpicked WMD Intelligence Committee says the intelligence agencies got the intelligence dead wrong, but says that under the President's terms of reference we are not authorized to investigate how policymakers used the intelligence assessments they received from the intelligence community.

March 31, 2005, Senator ROBERTS says it would be a monumental waste of time to replow this ground any further. Replow?

April 10, 2005, on ''Meet the Press,'' Senator ROBERTS commits to Tim Russert that the review will get done.

September 2005, committee Democrats file additional views to their authorization bill blasting the committee for failing to conduct phase II.

There have been letters written to the committee. A press release was issued even saying they were going to go forward with this.

Mr. President, enough time has gone by. I demand, on behalf of the American people, that we understand why these investigations are not being conducted. And in accordance with rule XXI, I now move that the Senate go into closed session.

Mr. DURBIN. Mr. President, I second the motion.

Ms. STABENOW. I second the motion.

The PRESIDING OFFICER. The motion has been made to go into closed session, and it has been seconded. The motion having been made and seconded, the Senate will go into closed session.

The Chair, pursuant to rule XXI, now directs the Sergeant at Arms to clear all galleries, close all doors of the Senate Chamber, and exclude from the Chamber and its immediate corridor all employees and officials of the Senate who, under the rule, are not eligible to attend the closed session and who are not sworn to secrecy. The question is nondebatable.

(At 2:25 p.m., the doors of the Chamber were closed.)

LEGISLATIVE SESSION

(At 4:33 p.m., the doors of the Chamber were opened, and the open session of the Senate was resumed.)

Mr. FRIST. Mr. President, I ask unanimous consent that we now resume open session.

The PRESIDING OFFICER (Mr. MARTINEZ). Is there objection?

Mr. REID. No objection.

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

ORDER OF PROCEDURE

Mr. FRIST. Mr. President, I ask unanimous consent that following my remarks Senator ROBERTS be recognized to speak for up to 15 minutes, to be followed by Senator ROCKEFELLER for up to 15 minutes, with the time yielded from the pending deficit reduction measure; further, that following that time Chairman GREGG or his designee be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FRIST. Mr. President, we are back in open session, and I believe shortly—in about 40 or 45 minutes—we will be back on course on a very important bill that our Nation cares about, which we are on track to complete this week; that is, the deficit reduction bill.

Over the next about 30 or 35 minutes, however, we will be clarifying some of the intention, scheduling, and language with regard to the completion of the report on Iraq prewar intelligence which has been under a great deal of discussion in the past within the Intelligence Committee, and, indeed, a subject of discussion between the chairman and the vice chairman, both of whom will have the opportunity to express their ideas here shortly.

Let me say that I think it is absolutely critical as we move forward on this important issue that we get partisanship out of these discussions of intelligence—important matters, important to this country, important to the American people—and anything and everything we can do to keep these discussions above partisanship is absolutely critical.

We have been in a closed session, and I want all Members to familiarize themselves with what that actually

means as we have seen because we were in that session for a little over 2 hours. It is very important that people do not talk about what happened during that session. Again, we will all have to go back because it is very unusual to go into these closed sessions, and, in fact, I think unprecedented, the way we went into this session, which we will probably talk about a little bit more later. I was very disappointed the way we entered into this session, which was a total surprise to me.

Let me also say I have absolute confidence in our Intelligence Committee and in what they are doing in terms of this important work and Senator ROBERTS as chairman.

The one thing that is important for us to mention, for the benefit of our colleagues, is an agreement between the leader and myself to the following three points: that the majority leader and the Democratic leader will appoint three members from their respective parties. This task force of six Senators will meet and report back to leadership no later than the close of business on November 14 the following: The Intelligence Committee's progress on the phase II review of the prewar intelligence and its schedule for completion.

I yield the floor.

The PRESIDING OFFICER. The minority leader.

Mr. REID. Mr. President, our representatives will be Senators ROCKEFELLER, LEVIN, and FEINSTEIN.

Mr. FRIST. Mr. President, for the benefit of my colleagues, at this point we have 15 minutes set aside—for up to 15 minutes—for Senator ROBERTS, followed by Senator ROCKEFELLER, and after that we will recognize Chairman GREGG or his designee. And with mutual discussion between the Democratic and Republican leaders, we very much, after the comments by the chairman and vice chairman, want to get back on the deficit reduction bill.

We have a time agreement to complete discussion on that bill by 6 o'clock tomorrow night. There are a lot of Members who want to talk about this very important issue.

The PRESIDING OFFICER. Under the previous order, the Senator from Kansas is recognized for 15 minutes.

Mr. ROBERTS. Thank you, Mr. President.

I think the best face I could put on this—after this unfortunate situation which was totally unexpected by myself, or my staff, or the Republican members on the committee, for that matter, the Republican leadership—is that we have agreed to do what we already agreed to do; that is, to complete as best we can phase II of the Intelligence Committee's review of prewar intelligence in reference to Iraq.

I think it is very important to point out that the Intelligence Committee has had an absolutely outstanding record working with Senator ROCKEFELLER and my colleagues across the aisle to produce the original review in regard to the 2002 National Intelligence Estimate prior to the military activities into Iraq, and also as to whether Saddam Hussein had reconstituted his weapons of mass destruction. That was a 17-to-0 vote. We had some differences, but that report came out. It was a good report. It was a seminal report. As a matter of fact, I take pride in saying that it was a bipartisan effort that was agreed to by the 9/11 Commission, by the WMD Commission that was later formed, and made about 93 or 94 recommendations to the administration of which probably 93 to 94 out of 95 have already been implemented. So we worked in a bipartisan fashion to do that.

We also at the same time—and I am basically quoting from the statement the vice chairman and I made on February 12 of 2004—agreed we would go to something called phase II. There has been a lot of talk about phase II. What is phase II? Why is it that has been delayed, if in fact it has been delayed?

There was some talk on the floor that got a little personal, and I regret that. It seems to me it was rather convenient because it was only yesterday our staff was working with the staff of the minority indicating that not this week but next week we would spend as much time as possible, 5 or 6 days, to complete our work in regard to phase II. It isn't as though it has been delayed. As a matter of fact, it has been ongoing. As a matter of fact, we have been doing our work on phase II. It is difficult, as I will indicate in a minute, while I go through these provisions on what we agreed to do.

So it seems to be a little convenient all of a sudden to go into a closed session of the Senate and call for a full Senate investigation of phase II when the committee is already doing its work. I think that basically is an unfortunate stunt. I would call it something else, but I think probably I will simply leave it at that.

Let me tell you what phase II is all about. Again, let me point out that we took a look at whether Saddam Hussein did reconstitute his weapons of mass destruction. That took us a long time. It is a 511-page report. It is a seminal report. It is a good report, and it signifies what we can do in the committee when we at least let one another know what is going on and we work in a bipartisan fashion.

This is what phase II is all about. That is what we will begin as we have planned to do and what our staff has indicated to the other side's staff in regard to what we were going to do as of next week—that we will start next week, and we will hope to continue that effort. We will cancel all other hearings until we can reach some sort of an accommodation. Now, if we can do this on the WMD report, certainly we can do it in regard to phase II.

My good friends across the aisle are people of good faith. We had strong differences of opinion then. I suppose we will have it in regard to phase II as well. We have seen that happen time and time again. As a matter of fact, we brought up phase II on May 17 of this year.

The biggest issue is as follows. There are five things in phase II: Whether public statements and reports and testimony regarding Iraq by U.S. Government officials made between the gulf war period and the commencement of Operation Iraqi Freedom were substantiated by intelligence information. In other words, the public statements made in the administration and the public statements made by public officials, whether they be in Congress, whether they be in the administration, or whatever, Congress, because we voted for regime change and we voted to go to war. Obviously, the administration, because they looked at the intelligence and thought our national security was in danger, we went to war.

Were the public statements backed up by intelligence or were they backed up by flawed intelligence? We have that material. We were supplied about 300 to 400 names by my colleagues across the aisle from all sorts of statements made by people in the administration. We took a good look at what Members of Congress have said about the same intelligence. I must say, at this point, some of those statements are even more declarative and more aggressive than those made in the administration.

That is the big issue: the use of intelligence. Whether somebody in the administration or somebody in the Congress made a statement that they thought was based on intelligence that was later proved wrong and somehow we are suppose to get in their head and ask: Why did you make that statement? Is that credible?

On May 17, in the spring, we started down the list of statements. We took names off of the statements because I didn't want it to be a situation, in terms of naming who made the statement, because I thought it might perjure or affect how people would vote in the committee. We started down that road. We didn't get very far. We had requests on the total progress of phase II, other portions of phase II.

So we started again on the first statement. Does that first statement match up with the intelligence? We didn't get very far. We started phase II in May, and we went back to work to see what we could get done, where we would agree and come back to the ''use'' question, when that would be possible.

There are five issues to phase II. Let me read them. The postwar findings about Iraq's weapons of mass destruction and their weapons programs and the links to terrorism and how they compare with prewar assessments. That was done by Charles Duelfer and David Kay. Those two paragraphs are already written. You can simply say that Charles Duelfer and David Kay did not find WMD. That was their conclusion. They made some statements

about it. It was commensurate, exactly, with what our WMD report said. There shouldn't be any problem with that. That should be adopted by the committee with hardly any dissent or any discussion.

The third issue is prewar intelligence about postwar Iraq. That is not necessarily true today. It is post-insurgency Iraq. That was my suggestion, saying if the intelligence community at least could figure out what we expected to find in Iraq postwar, post the military action. Where was the intelligence? That is ongoing. That is ongoing because we have what we think is a pretty good report, but we can make it more concise. I can say right off the bat that intelligence was as flawed as the intelligence in regard to the WMD report. We can agree with that. So there are two we can agree on.

Let me go to the next one. Any intelligence activities relating to Iraq conducted by the policy counterterrorism evaluation group and the Office of Special Plans within the Office of the Undersecretary of Defense. This involved a question as to whether Under Secretary Douglas Feith had a special intelligence group that had undue influence in the 2002 National Intelligence Estimate and whether or not that group and that intelligence had an undue influence on the administration's decision to go to war.

We had Under Secretary Feith before the committee. Then we were going to have him up again. And then my good friends across the aisle wanted more information. In the midst of that, there was a statement made by the vice chairman—I will not get into that because it tends to be personal, and I don't want any remarks of mine to be personal, especially after what happened on the Senate floor in regard to this issue. Basically, there was a statement made that what was going on in the Office of Special Plans could be illegal. When that happened, everyone down there at the Office of Special Plans got lawyered up or at least thought about seeking legal representation.

The cooperation between that particular department and our committee was not nearly as good as it was. We can clear that up because we have asked the Department of Defense inspector general to come back and tell us if there was anything wrong in regard to what the Office of Special Plans was doing. We will rely on that. We will put that in the report. We can believe the inspector general of the Department of Defense.

Finally, the use of the intelligence community of information provided by the Iraqi National Congress. Now, remember back when the Congress was talking to members of the Iraqi National Congress. Mr. Chalabi was the head of that group. I had Senator after Senator come to me and ask, Why don't you have Mr. Chalabi appear before the committee? The people supporting him wanted to vote and eventually did vote for regime change.

Then the pendulum swung the other way and people said, Wait a minute. We are not really sure about his position or, for that matter, what he has said in the past, what are you doing, and the question of the INC. The whole question again was, how much effect did the Iraqi National Congress and Mr. Chalabi have on the input to the administration as to whether or not they would go to war.

We have found, basically, as far as I am concerned, there is very little evidence, if any, that would take place.

I wouldn't think that would take too much time, as well.

So those are the five things we had to do in regard to phase II.

Let me repeat, again, yesterday our staff talked with my colleagues' staff across the aisle and their staff—not my colleagues across the aisle but their staff—and said the chairman wants to move on this next week. My conversation in regard to the distinguished vice chairman, I think it was last Wednesday, and let me say it was in the middle of a hearing and let me say it was not exactly clear in terms of any kind of a date, but I did talk to Senator ROCKEFELLER and indicated we had to move, we had to get this done.

He will doubtlessly say they have written letters and they have tried to get me to move and this, that or the other, but we have been doing this all along. Staff has been working on this very diligently. Consequently, I think we are very close. I am very pleased to announce, on schedule, exactly what we planned to do, we will start next week. We will start on Tuesday, and I will announce the time in the morning. Members of the Intelligence Committee will know Tuesday, Wednesday, Thursday, Friday, how long it takes, working in good faith. We will look into phase II and see what we can do and finish that product.

I said a long time ago on the Intelligence Committee we had to work in a bipartisan fashion. I said a long time ago that whatever ended up on the fan, we were going to have to clean it up. I said a long time ago we will let the chips fall where they may, and that went for phase II as well as the WMD special inquiry.

I ought to say one other thing. There was a memo that was highly publicized back about a year and a half ago. That memo, which was not provided to Republicans—obviously, it was a Democratic memo—and paragraph four caused a big fuss. It caused us about a month to sort of walk gingerly around one another and smother each other with the milk of kindness and say, Well, let's see if we can't work things out. And we did. I credit a lot of that to Senator ROCKEFELLER. He is not a partisan man.

Here is the paragraph:

> Be prepared to launch an independent investigation when it becomes clear we have exhausted the opportunity to usefully collaborate with the majority. We can pull the trigger on an independent investigation any time, but we can only do so once. The best time to do so will probably be next year.

Well, the trigger has been pulled today with an executive session of the Senate that is not needed, not necessary, and, in my personal opinion, was a stunt. I plead with my colleagues across the aisle and my colleagues, all Republicans on the committee, next week when we start this, on Tuesday—we will go through Tuesday, Wednesday, Thursday, Friday—I have no illusions, we will have differences, but I plead with you, as we have done in the past, for the good of our national security, and to finish the inquiry on whether or not Saddam Hussein had reconstituted his weapons of mass destruction, we were able to do that, and it became the seminal study for intelligence reform and where we are now with the Director of National Intelligence.

If we can get back to that mode instead of this surprising stunt on the floor to go into executive session, we will be better off.

Phase II, yes, you bet, we have been on phase II, and we will do it exactly as we planned to do it as of next week. I see from the expression of the distinguished President's face my time has expired.

The PRESIDING OFFICER. The time has expired.

Mr. ROBERTS. I thank the President.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia is recognized for 15 minutes.

Mr. ROCKEFELLER. Mr. President, I thank the Presiding Officer. For the past 30 years, the Senate Intelligence Committee has been remarkably bipartisan. It has performed a terrific oversight factor for the Senate. The resolution creating the committee mandates an oversight role. We are not there watching clouds drift by. The resolution that creates the committee mandates an oversight role of the U.S. intelligence community and a responsibility to carefully review our Nation's most sensitive national security programs. It is very broad and widespread in the handling of highly classified secrets. The committee is designed to be nonpartisan. That is why I am called a vice chairman. That is not true in any other committee. But it is meant to work.

We have reached an agreement that shows what has happened today, in a somewhat abrupt manner, but nevertheless we have reached an agreement on what we will do. That is a large step forward. I congratulate all involved in that.

For the most part, the history has been a good one. Over the past 2 years, I have to say, in all honesty, I am troubled by a concerted effort by this administration to use its influence to limit, to delay, to frustrate, to deny the Intelligence Committee's oversight work into the intelligence reporting and activities leading up to the invasion of Iraq.

In June, 2003, the Senate Intelligence Committee began a formal investigation into the prewar intelligence on Iraq. The primary focus of the investigation was to evaluate the intelligence reporting underlying the claims that Iraq possessed weapons of mass destruction and that Iraq had ties to terrorist groups. Although the Senate resolution establishing the Intelligence Committee intelligence clearly states in Senate resolution 400 we are to look at the ''use'' of intelligence, the majority on the committee initially rejected attempts by myself and by others to add to the investigation—that is, to add to phase I—how administration officials used or potentially misused intelligence and public statements leading up to the war which maybe helped lead up to the war. Only after considerable insistence by committee members and protracted discussions did the majority leadership of the committee agree to add to the scope of our investigation the issue of how intelligence was used prior to the Iraq war. It is a huge uncovered subject.

On February 12, 2004, the Intelligence Committee unanimously agreed and publicly announced that five issues would be added to the investigation, phase II. One, whether public statements, records and testimony regarding Iraq by Government officials made between the gulf war period, end of gulf war I and the commencement of Operation Iraqi Freedom, whether those statements by Government officials were substantiated by intelligence information.

Prewar intelligence is No. 2, prewar intelligence assessment about postwar Iraq.

Three, any intelligence activities related to Iraq within the Office of Under Secretary of Defense for Policy, headed by one Douglas Feith.

Four, the use of the intelligence community of information provided by the Iraqi National Congress.

Five, the postwar findings about Iraq's weapons of mass destruction and weapons programs and links to terrorism.

Remember, this was constantly being thrown at us, links to terrorism and how they compare to the prewar assessments.

The committee press release explained all of that. Everyone agreed to it, and it added the resolution adopted unanimously today that illustrated the commitment to all members to a thorough review to learning the necessary lessons from our experience with Iraq and ensures that our Armed Forces and policymakers benefit from the best and most reliable intelligence that can be collected.

These five areas of inquiry commonly referred to as phase II were authorized well over a year and a half ago, in February of 2004. It has been 20 months since the committee committed to all Members of the Senate and to the American public a thorough review.

My colleague, the chairman of the committee, has referred to all of the things that have been done. In fact, we have had one hearing. And he referred to work that would take place next week. I didn't know about that. All of a sudden everyone will plow into phase II. I am not critical of that because I think today has helped to create that kind of momentum which I think is important.

Since the committee identified these five issues as a high priority in February of last year, I and other Democrats on the committee have repeatedly urged completion of the review—we agreed to it unanimously—and had been assured by the chairman, time and time again, that the committee will fulfill this commitment.

Yet, despite these repeated assurances, it is clear that only token work, at best, has been done on phase II since it was authorized. That is unacceptable. We have had only one business meeting on phase II, and no report has been written for members to review—nothing.

The public pronouncement of Chairman ROBERTS earlier this year that phase II was ''on the back burner'' has been, unfortunately, accurate. Do I enjoy saying this? Not particularly, true. But let people know.

The disturbing question is, why has the chairman relegated the phase II investigation to the back burner? Why did he do that?

The fact is—and I hope folks will listen closely—that any time the Intelligence Committee pursued a line of inquiry that brought us closer to the role of the White House in all of this, in the use of intelligence prior to the war, our efforts have been thwarted time and time again.

When it was reported that the Vice President's Chief of Staff Scooter Libby and the National Security Council prepared a draft speech making the intelligence case against Iraq and sent it to the CIA for Secretary of State Powell to give before the United Nations in February of 2003, my staff asked that the committee obtain the NSC, National Security Council, document as part of our ongoing review of how the Powell speech was formulated. Our requests were denied by the majority. Why?

Because of this denial, I personally wrote to the Director of the Central Intelligence Agency, Mr. Tenet, requesting the Libby/NSC input into the Powell speech—it was important to have that information—and other documents in October of 2003. Director Tenet did not respond to my letter, nor did he respond to my two subsequent letters for the NSC paper in January and March of 2003. Why?

Perhaps the answer can be found in last week's National Journal article, which reports that Vice President CHENEY and his Chief of Staff Libby overruled White House lawyers and withheld this information—withheld these documents—from us, and other documents from the Senate Intelligence Committee.

When, during the committee's Iraq investigation, my staff requested that the committee interview the White House speechwriter who wrote the President's 2003 State of the Union Address to better understand how the debunked claim that Iraq was seeking uranium from Niger made it into the President's speech—how it got in there, when the same claim was removed, at the CIA's insistence, a few months earlier in Cincinnati—our request was denied by the majority. Why?

When we requested that the committee obtain a copy of the one-page summary of the Intelligence Community's National Intelligence Estimate on Iraq's weapons of mass destruction programs that was prepared for the President in October 2002, our request was denied by the majority. Why?

And why has the committee's phase II investigation been moribund since February of 2004? When the committee told the American people it would conduct a thorough review, was the promise a hollow one? What other conclusion?

Could it be that the administration has made it clear it does not want the Congress to examine whether intelligence was accurately presented to the American people in the rush to war?

Could it be that the administration has made it clear it does not want Congress to examine the role that Pentagon policy officials under Douglas Feith played in circumventing the intelligence community and preparing an alternative analysis to the White House that drew a link between Iraq and the attacks of 9/11 that the intelligence did not support?

Could it be the administration has made it clear it does not want Congress to examine the claim that the Iraqi National Congress made to the Senate Appropriations Committee in June of 2002 that it was providing intelligence information directly to the Vice President's office—to Mr. Hadley, I believe—and the Office of the Secretary of Defense? Chalabi passed all intelligence agencies in our Government directly into the White House.

The administration's ability to head off any line of inquiry into matters of appropriate congressional oversight is not limited to the Intelligence Committee's Iraq investigation. Despite repeated attempts by me and other Intelligence Committee members to initiate a detailed review of fundamental legal and operational questions surrounding the detention, interrogation, and rendition of suspected terrorists held in U.S. custody—important national security measures that fall squarely within the jurisdiction of the Intelligence Committee—the committee's majority has refused to conduct such an investigation. What are we to do?

The Intelligence Committee's obligation under Senate Resolution 400—''to provide vigilant oversight of the intelligence activities of the United

States''—requires us to not only answer questions related to cases of detainee abuse, but to examine the effectiveness of the methods used in interrogations.

But, again, it is apparent to me that the White House has sent down the edict to the majority—and I could say more—that the Congress is not to carry out its oversight responsibilities in detention, interrogation, and rendition matters, or some of the previous matters I discussed, as it would bring uncomfortable attention to the legal decisions and opinions coming from the White House and the Justice Department in the operation of various programs.

Finally, the delay in completing the remaining portion of the Intelligence Committee's Iraq review is inexcusable. Sadly, the committee's delinquency in completing an investigation that it unanimously voted to undertake over 20 months ago has diminished the committee's credibility as an effective overseer of the intelligence community.

But what disturbs me the most is that the majority has been willing, in this Senator's judgment, to take orders from this administration when it comes to limiting the scope of appropriate, authorized, and necessary oversight investigations. This is a very strong statement. The very independence of the Congress as a separate and coequal branch of Government has been called into question.

We need to not only complete the second phase of the Intelligence Committee's investigation, we need to reopen the first part of the Iraq report we released in July of last year, to find out what role the White House played in denying the committee documents it needed to carry out its investigation. That is not a part of the agreement, I fully and freely admit.

It is time the Senate, as a body, own up to our oversight responsibilities and provide the American people the answers we promised we would give them over 20 months ago.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, will the Senators yield for a unanimous consent request?

Mr. CONRAD. I yield.

Mr. LEVIN. Mr. President, I would like to ask the Senator from West Virginia a question.

Has the joint agreement of February 12, 2004, been made a part of the RECORD?

Mr. ROCKEFELLER. Mr. President, I say to the distinguished Senator from Michigan, I have the same document and ask unanimous consent that be printed in the RECORD.

Mr. President, also, there was a reference in the chairman's remarks as to events that went on in the Douglas Feith matter, and he referred to ''lawyering up.'' There is a very clear, easy, simple answer to that, and I ask unanimous consent that be printed in the RECORD, also.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the United States Senate Select Committee on Intelligence, Feb. 12, 2004]

CHAIRMAN ROBERTS AND VICE CHAIRMAN ROCKEFELLER ISSUE STATEMENT ON INTELLIGENCE COMMITTEE'S REVIEW OF PRE WAR INTELLIGENCE IN IRAQ

WASHINGTON, DC.—Senator Pat Roberts (R–KS), Chairman, and Senator Jay Rockefeller IV (D–WV), Vice Chairman, of the Senate Select Committee on Intelligence, today announced that the Committee unanimously agreed to refine the terms of reference of the Committee's ongoing inquiry into pre war intelligence with regard to Iraq. The new terms are as follows:

A. The matters set forth in the joint release of the Chairman and Vice Chairman on June 20, 2003:

1. The quantity and quality of U.S. intelligence on Iraqi weapons of mass destruction programs, ties to terrorist groups, Saddam Hussein's threat to stability and security in the region, and his repression of his own people;

2. the objectivity, reasonableness, independence, and accuracy of the judgments reached by the Intelligence Community;

3. whether those judgments were properly disseminated to policy makers in the Executive Branch and Congress;

4. whether any influence was brought to bear on anyone to shape their analysis to support policy objectives; and

5. other issues we mutually identify in the course of the Committee's review;

B. the collection of intelligence on Iraq from the end of the Gulf War to the commencement of Operation Iraqi Freedom;

C. whether public statements and reports and testimony regarding Iraq by U.S. Government officials made between the Gulf War period and the commencement of Operation Iraqi Freedom were substantiated by intelligence information;

D. the postwar findings about Iraq's weapons of mass destruction and weapons programs and links to terrorism and how they compare with prewar assessments;

E. prewar intelligence assessments about postwar Iraq;

F. any intelligence activities relating to Iraq conducted by the Policy Counterterrorism Evaluation Group (PCTEG) and the Office of Special Plans within the Office of the Under Secretary of Defense for Policy; and

G. the use by the Intelligence Community of information provided by the Iraqi National Congress (INC).

Sen. Roberts said, ''Today's agreement reflects a refinement and to a great extent a restatement of the Committee's ongoing review of pre-war intelligence. The resolution adopted unanimously today illustrates the commitment of all members to a thorough review, to learning the necessary lessons from our experience with Iraq, and to ensuring that our armed forces and policymakers benefit from the best and most reliable intelligence that can be collected. I believe that the report which we are currently reviewing will have a profound impact on the future of our Intelligence Community. My hope is that we be able to release our initial report soon and then continue our review as we work toward recommendations. I congratulate all members for their willingness to work together toward these goals.''

Sen. Rockefeller said, ''This agreement reflects a difficult and lengthy process, but in the end, we were able to reach consensus on the need to expand the investigation into several key areas.''

''We will address the question of whether intelligence was exaggerated or misused by reviewing statements by senior policy makers to determine if those statements were substantiated by the intelligence,'' Rockefeller said. ''We will take a closer look at the shortfalls in our intelligence collection. We will compare pre-war estimates to the situation in postwar Iraq, and we will pursue a better understanding of what role the Policy Counterterrorism Evaluation Group and the Office of Special Plans played in pre-war intelligence. There are definitely a few outstanding issues, but we've made a lot of progress, and it's clear that we're moving in the right direction.''

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RESPONSE TO DEPARTMENT OF DEFENSE LETTER REGARDING SENATOR ROCKEFELLER'S STATEMENT ON UNDER SECRETARY FEITH

In July 2004, officials at the Department of Defense took exception to my characterization of the activities of the office of Under Secretary of Defense Doug Feith. The Senate Intelligence Committee has been investigating these activities as part of its ongoing review of prewar intelligence related to Iraq. After much delay, we received thousands of pages of documents from the Defense Department and conducted several interviews as we have sought to determine the nature and extent of the intelligence activities of this office. At the time of my public statements, our review of these activities was still ongoing and as part of the second phase of the Committee's work on prewar intelligence.

In describing that part of our review I stated that we were seeking to determine if Under Secretary Feith was running a private intelligence operation not authorized in law. For example, Section 502 of the National Security Act of 1947 requires the heads of all departments and agencies of the U.S. government involved in intelligence activities ''to keep the congressional oversight committees informed.'' This requirement relates to the activities of any part of the government not just intelligence agencies. The Committee review is intended to determine if the activities within Under Secretary Feith's office were unauthorized intelligence activities in contravention of this and perhaps other legal requirements. The Committee unanimously agreed to review ''any intelligence activities relating to Iraq conducted by the Policy Counterterrorism Evaluation Group (PCTEG) and the Office of Special Plans within the Office of the Under Secretary of Defense for Policy.'' Implicit in that statement is the possibility that unauthorized intelligence activities may have taken place.

A letter from Assistant Secretary of Defense Powell Moore in July 2004 expressed surprise at my description and asked for an apology. I did not suggest that Mr. Feith has broken a criminal statute. My concern, and that expressed in the Committee's resolution authorizing its investigation, is that some activities of his office may have been unauthorized. The Committee has not reached a conclusion. And cannot reach a conclusion without further investigation.

Mr. LEVIN. Mr. President, one additional unanimous consent request. I ask unanimous consent that it be noted in the RECORD that items C through G in the February 12, 2004, press release setting forth the agreement be noted as being phase II of the agreement.

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

The Senator from New Hampshire.

Mr. GREGG. Mr. President, we actually now return to the deficit reduction bill, which some of my colleagues may have forgotten. But just to remind them, this bill saves $39 billion off the deficit, and is the first major attempt in 8 years to try to accomplish savings through the process of reducing the rate of growth of our entitlement accounts.

In that context, we have a number of amendments, and we are glad Members have been coming forward with them. We cannot formally agree right now on what the sequence will be, but to outline what we think the sequence will be, it will be Senator LINCOLN going now—we can be sure of that—followed by Senator INHOFE, followed by Senator NELSON, followed by Senator LOTT this evening. And tomorrow morning, the first two amendments will be Senator CANTWELL, dealing with ANWR, and then an amendment by Senator GRASSLEY, dealing with agriculture programs. That is the game plan.

Now, the understanding is that at 8 o'clock tonight we will complete our business today relative to the Deficit Reduction Act, and we will reconvene tomorrow, I believe, at 9 o'clock. Or is it 8:30? I am not sure. In any event, we will formalize that understanding in a few minutes, hopefully, after both sides have had a chance to review those amendments which I outlined.

I now yield to the Senator from North Dakota to yield such time as he may.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this matter before us, just to remind people after this interruption we have had, is about the so-called reconciliation project. It is part of the budget agreement that was reached earlier this year. On our side, we do not believe this has anything to do with deficit reduction. As we see it, this budget increases the deficit dramatically, and expands the debt. In fact, under the 5 years of the terms of this budget agreement, the debt will increase by more than $3 trillion—$3 trillion. That is not my calculation; that is the calculation of those who have prepared this budget. So to be talking about deficit reduction here, I think, is utterly misleading.

Now, it is true the matter before us at the moment—and I call it ''chapter 1'' of reconciliation. ''Chapter 1'' is called deficit reduction. That is because it slices spending by some $35 billion over the next 5 years. During the same time, the debt is going to go up by $3 trillion. But what is to come next week is the second chapter. The ''chapter 2'' is to reduce revenues by $70 billion. If you put the two together, the deficit is going to go up.

But ''chapter 3'' is to increase the debt of the United States by $781 billion—$781 billion. If you couple that with the debt increases that have already occurred under this administration's watch, they will have increased the debt of the country, in just 5 years, by $3 trillion. In the next 5 years, under this budget agreement, they are going to increase the debt another $3 trillion. In this very short period of time, they will have accounted for half of all of the debt accumulated by this country over 228 years. That is truly stunning.

Now, the next amendment on this side is offered by Senator LINCOLN, and I yield such time as she may use for that purpose.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, at this time I think we can reach unanimous consent on what at least the next three amendments will be. I ask unanimous consent that the next three people to be recognized for amendments will be Senator LINCOLN, Senator INHOFE, and Senator NELSON. The next amendment after Senator NELSON we expect to be offered by Senator LOTT. The other side has not had a chance to review that amendment yet, so we reserve on Senator LOTT. I further ask unanimous consent that tomorrow morning we will begin with an amendment from Senator CANTWELL, followed by an amendment by Senator GRASSLEY.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. No objection on this side. That is exactly what we worked out, and the chairman states it very well. And we may be able to slip in another amendment later today.

That is the order we have contemplated at this point and the unanimous consent request is entirely in order.

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

Mr. GREGG. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2356

Mrs. LINCOLN. Mr. President, over 2 months ago, devastating natural disasters occurred in our Gulf Coast States, things that were absolutely out of our control, Mother Nature. Since that time, I and many of my colleagues have tried our hardest to get health care relief to those who were impacted by the tragedy. I say that because I am so saddened, as we have strived so diligently to look at a commonsense way that we could bring health care needs, meeting the health care needs of the victims of that region with absolutely very little success.

In the week following the tragedy, I came to the floor and offered an amendment to the Commerce-State-Justice appropriations bill. I withdrew my amendment because so many people said: We need to do this. Let us work out a bipartisan effort. Let us work together to meet the needs that exist in this devastated region of the Nation. I withdrew my amendment after working with Senators GRASSLEY and BAUCUS to come up with a bipartisan compromise, with the assurance that we would allow a bipartisan compromise to come forward and provide the kind of relief our good neighbors in the Gulf State region needed.

The compromise, the Emergency Health Care Relief Act, which was S. 1716, received overwhelming support on both sides of the aisle. But each time we came to the floor and tried to pass it, there was a handful of Members who objected. We have tried to bring it to a vote at least five times that I am aware of. We listened to the concerns of the Senators who objected. We have scaled back the legislation time and time again, first taking out one piece, then the other, trying to see, accordingly, what we could do to accommodate their concerns, without completely gutting the purpose of providing the kind of relief our fellow Americans need in the gulf region. That scaled-back version was one that Senator BAUCUS offered in the Senate Finance Committee markup last week, and it failed along party lines, with the understanding, many Members said, that there was a need to get something out of committee.

I know how important it is to keep the trains running, but how well do we understand here in this body the needs of our fellow Americans who have been devastated, whose families have been torn apart, whose homes have been demolished, their children's lives and schools destroyed, who have been displaced and put into strange places to go to school? We think about people who have lost their jobs, who have lost their memories in many instances, family albums, wedding albums, things that can devastate you, depress you, and put you in a frame of mind that says: I need someone to embrace me and make me feel like a part of the family again.

Here we are attempting a budget reconciliation. A lot of people across this country think: Oh, budget reconciliation, what is that, yet one more big, long term the Senate uses for something they try to accomplish.

You know what, Mr. President, working American families reconcile all the time, now probably more so than ever before. Their wages are stagnant. The price of gasoline is out of control. The price to heat their homes this winter, the price of health care in general is out of control. They look at all of the things they are surrounded by and what do they do? They reconcile their budgets. They reconcile their household budgets, and they sit down and say to themselves: What is essential to keep our family whole? What is it this family needs to be able to maintain itself as a family, to not become dysfunctional or separated or torn apart, to not be hungry or cold? What is it this family needs? How do we reconcile the fact that our wages have been stagnant, our costs are going out the roof?

What do they do? They sit down and look at the essentials that are necessary. They make a list of what their essentials are, and they address those essentials first. Then they move on to

the things that may not be as essential, things that they want to do, but they deal with the essentials of life first. They deal with food, shelter, health care needs, education for their children. These are the decisions working families all across this great Nation are dealing with.

Here we find ourselves in the Senate doing the very same thing for our American family. When I reconcile my budget at home, I try very hard to think of those individuals who my children and I pray for every night when we say our prayers and we say: God bless those people who are homeless, who are hungry, who have lost their homes, who have suffered from natural disasters. I think as we reconcile this budget here, we need to look at our American family and what it is we find essential, that we find as a priority.

I come to this floor to say my sisters and brothers in the gulf coast region are a priority in this American family. Their needs have to be met. We don't need to wait another 8 weeks or 4 months or another year before we make it a priority. We need to reconcile it in this budget in our minds and in our hearts right here today. And if people have a problem with it, then let them pick it apart. Let them come down here and say: We will cover pregnant women, but we are not going to cover the childless adults who have lost their homes and been displaced from their families. We are not going to provide for those individuals.

Let them come down and pick it apart and nickel-and-dime what it is we can do for our American family. Because I have to say, I think a huge part of this Nation's values is represented in the priorities we choose. The priorities we choose have an important impact on the choices we make. We are here to reconcile the choices to be made at this time in our Nation. We are consumed with enormous debt. We are consumed with obligations internationally, with troops whose lives are on the line today in Iraq and Afghanistan. We have unbelievable choices.

But we can't forget about the other choices, the precious children we saw last night trick-or-treating. What is their future? Are they going to have the education they need to be competitive? Are they going to have an economy that is strong? Are they going to have a nation that is well-respected? The heart of it goes back to how we as Americans treat one another. Those are the values we have to begin to look at, particularly in a document such as this.

The underlying bill does contain some assistance for Katrina survivors. I thank the Finance Committee chairman, Senator GRASSLEY, and my colleague, Senator LOTT from Mississippi, who is on the committee. But the truth be told, it is not enough. The hospitals and providers of Louisiana have told us it is not enough. They have told us they can barely keep their hospital doors open past Thanksgiving. How in the world could we imagine that people are going to move back in to the communities of the gulf region to rebuild their homes, rebuild their businesses, bring their children back into school systems, if there is no medical care? I ask my colleagues, would you do that? Would you move your family back into communities where the hospitals are closing their doors? Would you ask your employees to come back to a business where no medical services could be provided? Is that how we treat our American family and the members of our American family?

It is beyond me why it is that we would nickel-and-dime our sisters and brothers in the gulf region. Chairman GRASSLEY himself admitted in the committee that the limited relief in the underlying bill is only a downpayment. I urge my colleagues to take this opportunity to do more than just a downpayment for people whose lives have been destroyed, their families displaced, their homes obliterated, their jobs, Heaven knows what kind of jobs they might have to go back to.

We can provide real relief because we are Americans. We can do better than that by our American sisters and brothers. We are a family. As a family, we can do better than that. We can do better than a downpayment that might keep them open until Thanksgiving. I know we can do better than that. I urge my colleagues to do so.

I am sure the administration and my colleagues who oppose this amendment will say there is money out there for relief. And they are correct that there is money out there. But where is the relief? Congress has passed over $60 billion in FEMA funding, and where has it gone? Who knows? Through October 19, FEMA had placed only $18.2 billion into the Hurricane Katrina disaster relief fund, roughly one-quarter of the available funding, and had reported spending only around $4.1 billion. Nearly 2 months after the hurricane devastated the Gulf States, FEMA has provided only about $2.9 billion out of the $60 billion to individuals and families affected by such a monumental tragedy to a region in our Nation. That is one-tenth of the funding available that has gone to help hurricane survivors.

Even President Bush has realized that the money is not being used appropriately and has proposed reallocating $17 billion of it to do a variety of things, including reconstructing military bases, offering job training, building affordable housing, repairing the wetlands, among many other items. All of these things are great. But will families move back, will companies come back, will schoolchildren come back if there is no health care? Every day we drag our feet, it will cost us more, more to rebuild hospitals, more to bring providers into the region, more to make sure the health care infrastructure is there, whether it is medical schools, hospitals, clinics, ambulance service, all of the necessary needs that come through medical care.

What about health care for the thousands of Katrina survivors who aren't getting their basic health care needs met or for the hospitals and health care providers that came to their aid and States that have already been strapped and now have even more pressure on their budgets?

I do not understand why we continue again to nickel-and-dime these families who have been through so much. Can we not put ourselves in their shoes to understand the devastation they have experienced?

Maude Jordan is an example I used from an article out of the Economist. She is one of the Louisianans who isn't getting her basic health care. She survived on the top of her refrigerator for 3 days to avoid the flood. Then when she was finally taken to Baton Rouge, she made it to a relief center there and was told she didn't qualify for Medicaid because she is a childless adult, and the program doesn't cover childless adults.

All we are asking is to temporarily cover the Maude Jordans who have been devastated by this natural disaster—temporarily cover them. And if people on the other side think that is just too bold of an expansion of the program, then let's take it out. If they want to take it out, let's take it out. Let's not cover the Maude Jordans. I want to, and I think there are others who do, too. But if people think that is just too much sharing and they can't handle it, too much community, let's take it out. Let's just cover the normal people under Medicaid with 100 percent so that Louisiana, when they finally begin to get their feet on the ground, will not have to buckle from the burden of what we will lay upon them in covering their share of this devastation.

Katrina health care in this budget reconciliation bill will not help the Maude Jordans of the world or the thousands of survivors who simply don't have children. And maybe that is what people want to do. If it is, I hope they will come to the floor and make those recommendations.

But what about our health care providers. Last week, an Associated Press article illustrated the dire situation with Louisiana hospitals, saying that the entire hospital system is only a step away from financial disaster. One of those executives is the one I quoted earlier:

> We're out of money, roughly after Thanksgiving.

What a great holiday gift we would provide the people of Louisiana who have lost their hospital system, do not have anywhere to take their children or elderly if they should choose to move back to their home and try to be there during the holiday season. There is no safety net in a hospital, no ability to be reassured that should they need it during the holidays it would be there.

Across the border, Mr. President, in my home State of Arkansas—I have been so proud of Arkansans. I believe

they have exhibited the values that we all believe are strong in America, the values of being a good neighbor. They answered the call. They answered the call to be a good neighbor and provided a tremendous amount of care without asking how or when or if they would be repaid.

My hometown, in one of the poorest counties in the country, that had to set up its own health foundation to keep the infrastructure of its health care in place and moving and operating and doors open, took out of that foundation to provide for the evacuees who were coming in, up the Mississippi River Delta and into our communities. And God bless them for doing it, for showing us that this spirit is still alive in this great country; that neighbors do mean something to neighbors and community is important. God bless them for doing it without being asked.

Yet what about us sitting here, not answering their call when they ask, does our American family have those same values? Are they going to come through for us when we have come through for our neighbors? Louisiana's Medicaid Program is considering making big cuts because they don't have the funding to keep it going. Those cuts could result in 100,000 people losing their prescription drug coverage. Over 100,000 low-income children and 2,500 pregnant women could be left without any Medicaid coverage. And Arkansas is operating under a waiver that the administration contends will make them whole. But even the administration admits that they need congressional action to get it done.

How many stories do we have to share, and how many lives have to be impacted before Congress will act? We have to do something now—today. I think it is so critically important as we see American families reconciling themselves in their family budgets, as we looked last night at the importance of community. I don't know about you all, but seeing precious children in our own neighborhood walking alongside my own, learning great things about being part of the community, how to say thank you, how to meet your neighbors, how to be part of a group in a community, it is time for us now to recognize the role we play in this great American community and this great American family and exhibit the values that are so important to Americans: that we would share with one another, that we would look after one another, that we would take care of our sisters and brothers in the Gulf State region.

Mr. GREGG. Will the Senator yield for a question?

Mrs. LINCOLN. Not just yet. Thank you.

The whole idea of community has been lost. Unfortunately, I think it is because there has been this attitude created, a sense or a feeling that makes Americans afraid to share. What does that mean? It just means we are all concerned about ''me.'' But what makes us strong as a country? It is the ''we.'' It is the ''we'' in Americans. It is when we work together, we not only do better, we do our best. And I think this amendment is a way that Americans can show their best. They can show how important it is to reach out and to take care of our neighbors and a big part of our American family.

My grandmother used to tell me when I would feel down and out: When you feel bad, and you feel like you could do better, she said, stop. She said: Think of somebody who needs something, and go do it for them.

Mr. President, I think America feels down right now. I think they wonder who we are and what we are all about. I think this is the time, as we reconcile whatever it is we are here to do, that we stop and think about who needs us right now and we go do something for them. I happen to think that my brothers and sisters in the gulf region need something. I think it will show all of us the biggest and the best America that we can possibly be.

I thank the Chair. I yield the floor.

Mr. GREGG. Will the Senator yield for a question?

Mrs. LINCOLN. I actually need to yield to my colleague here.

Mr. GREGG. Mr. President, I ask for the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I appreciate that the Senator will not yield. I was going to ask the Senator for a copy of the amendment. Out of courtesy from this side of the aisle, I decided to let her go forward. I appreciate she won't yield to us to find out what her amendment is about.

Mrs. LINCOLN addressed the Chair.

Mr. GREGG. Mr. President, at this point I yield time from our side to the chairman of the Committee of Finance.

Mrs. LINCOLN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am going to speak against the amendment by the Senator from Arkansas, but I want to make clear that I do not object to the substance of the amendment. I am in a position where I have to have a reconciliation. I want to show sympathy for what she is talking about but defending what I have in my mark and also express—and I am summarizing now—that I hope somewhere between now and the final consideration of the reconciliation we are able to take out Katrina relief that I have in mine, do it more broadly, as Senator BAUCUS and I have tried to do, but right now I am not in a position to do that. I hope to move that along, and so today I am a little bit opposite of the Senator and a little bit opposite of Senator BAUCUS.

Mrs. LINCOLN. Will the chairman yield for a brief comment?

Mr. GRASSLEY. Yes, I will.

Mrs. LINCOLN. I thank the Senator.

Mr. GRASSLEY. I would like to yield 1 minute.

Mrs. LINCOLN. That is fine.

Mr. GRASSLEY. For a question or comment.

Mrs. LINCOLN. Earlier, I complimented the chairman on the incredible devotion to this issue and hard work in trying to bring about a compromise, and I am grateful to him.

I would like to apologize to the Senator from New Hampshire who seemed upset that I hadn't put forth my amendment here in writing, but I have it here for him. I thank the chairman for all his hard work.

Mr. GRASSLEY. Mr. President, I thank the Senator from Arkansas for her kind remarks. As I explained, because things have to be compromised in order to get anything done here, it tends to be the majority party's responsibility to move along reconciliation. In that vein, I am somewhat different from the Senator from Arkansas, even though I have sympathy and even though I have spoken in support of it and even though I have worked with Senator BAUCUS on what she wants to accomplish.

So momentarily and throughout this reconciliation bill I have to oppose the amendment by my friend and colleague from Arkansas.

We, of course, Mr. President, were all deeply moved by many of the stories that we have heard on the floor, particularly the stories that the senior Senator from Louisiana tells us about. And it is not only her State but Mississippi and Alabama, stories about people who have lost everything—their homes, their jobs, and, worst of all, more than 1,000 people have died. I am keenly aware that those who have suffered the most are our most vulnerable citizens: the infirm, the displaced, the disabled, and families on welfare. Our hearts go out, as well, to all the others who have suffered so much as a result of this terrible disaster.

I understand the need to act, and my colleague, Senator BAUCUS, and I came together very quickly—now I think 2 months ago almost—well, at least 6 weeks ago—very quickly, in a bipartisan way, in response to my own leader's desire that we move very quickly to respond to this, as he had a news conference the Wednesday after Labor Day, on behalf of those most vulnerable individuals and families who have suffered so greatly.

You know that it is a priority for me to assist those affected by Hurricane Katrina, and I think Senator BAUCUS and I came up with a very good package, and I remain committed to it.

Mr. GREGG. Will the Senator yield?

Mr. GRASSLEY. Go ahead.

Mr. GREGG. Will the Senator yield just to make an apology to the Senator from Arkansas? It appears my staff did have this amendment. I was misinformed. I apologize to the Senator from Arkansas at this point for having stated we didn't have it. I didn't know what was in it; I still don't know what is in it. I presume somebody has it because the Senator from Iowa would not be opposing it if he didn't know what was in it.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Let me say here that for those people who don't see everything that is going on in the Chamber, we just had a Democrat apologize to a Republican, and a Republican apologize to a Democrat. Everything here is not everybody at each other's throat. And I say that to the public at large because we do get along even though we disagree sometimes.

Anyway, I had this reconciliation package come out of my committee, and we are going to it now. And in the provision that we passed we were able to include what I consider a downpayment of what the Senator from Arkansas and the Senator from Louisiana want to accomplish. In their judgment, it is not enough, but it is moving the ball down the road in a way I hope that will get some help to people who need it.

This provision in the reconciliation legislation then makes that downpayment to respond to the health care needs of low-income families affected by Hurricane Katrina. This is a placeholder for spending on the hurricane victims because I believe it is extremely important that we address the needs of those so affected. The legislation provides $1.8 billion to protect Medicaid benefits in Alabama, Louisiana, and Mississippi. The legislation provides targeted temporary relief to parishes and counties affected by the hurricane.

The legislation reimburses States fully at 100 percent of their share of Medicaid costs for any claim paid for medically necessary health care for evacuees. This Federal Medicaid funding increase is temporary. It begins on August 28, 2005, the day the hurricane hit, and ends on May 15, 2006. This is targeted relief for 1.9 million people. It focuses its assistance to the people who need it the most.

I want to be clear, I would prefer to do our full bill on the Senate floor outside the reconciliation process in what we call emergency measures. I remain deeply disappointed in the people who have stood in our way, and they are on my side of the aisle. In my judgment, this administration's stand as well on this has just been plain wrong, and I have said that in committee, and I have said that in news conferences.

Would I like to do more? Certainly. But to do more means that you must pay for it. Frankly, I am concerned about how the Senator from Arkansas is paying for this amendment. While I support taking funds out of FEMA to pay for Katrina relief, doing so on a reconciliation bill is not germane.

So, Mr. President, the provisions in the reconciliation bill provide assistance for the next 8 months for 1.9 million people, and that is a very good start. It is crucial that we do it this way, and we will get it done this way. At least this much will get done.

I encourage my colleagues to support this provision in my bill and, consequently, I ask them to vote against the amendment by the Senator from Arkansas.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from North Dakota.

Mr. CONRAD. Mr. President, I continue to yield to the Senator from Arkansas for the purpose of making a unanimous consent request and also for the purpose of making a unanimous consent request that we go to her amendment, that her amendment be before the body.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2356

(Purpose: To provide emergency health care and other relief for survivors of Hurricane Katrina.)

Mrs. LINCOLN. Mr. President, I ask unanimous consent to lay aside the pending amendment to offer the amendment about which I have just spoken.

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

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mrs. LINCOLN], for herself, Ms. LANDRIEU, Mr. BAUCUS, Mr. PRYOR, and Mr. KENNEDY, proposes an amendment numbered 2356.

Mrs. LINCOLN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mrs. LINCOLN. Mr. President, I apologize. I guess we brought this amendment to the floor and to the committee so many times I just assumed my colleagues knew what it was. I apologize for any confusion in that regard.

Mr. President, I ask unanimous consent that the time that has been used in the debate on this amendment be charged against the amendment so that it does not get charged against any of my colleague's time.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Reserving the right to object, I presume the time used by the Senator from Arkansas will be charged to the Democratic side and the time used by the Senator from Iowa and myself will be charged to the Republican side.

The PRESIDING OFFICER. The Senator is correct.

Without objection, it is so ordered.

Mrs. LINCOLN. Mr. President, I yield to my good friend and my colleague from the gulf region, Senator LANDRIEU from Louisiana.

Mr. CONRAD. Mr. President, will the Senator withhold for just one moment so I might inquire? I think it will be useful for us to know where we are in terms of the time at this point on the amendment and on the bill.

The PRESIDING OFFICER. On the amendment, the minority has consumed 22 minutes. On the amendment, the majority has consumed 9 minutes.

Mr. CONRAD. And can we also have the time left on the bill for today?

The PRESIDING OFFICER. The majority has 1 hour 28 minutes remaining. The minority has 1 hour 3 minutes remaining.

Mr. CONRAD. To further understand, the yielding of time to the Senator from Louisiana is off the amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. I thank the Chair.

Mr. GREGG. Parliamentary inquiry: I am presuming, just to make sure everybody is on the same wavelength, even though the time is off the amendment, the time is also off the underlying 20 hours.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, now that we have the amendment offered and the time straight, I wish to thank the Senator from Arkansas for her extraordinary leadership on this issue because this is not the first time she has come to the Senate floor. She has spent hours on the Finance Committee and hours on this floor trying to describe to our colleagues the critical nature of this situation.

She comes from a State that was not directly hit by the hurricane but was, nonetheless, impacted, as so many other States were that had the goodness, the graciousness, the wherewithal, and the inclination to take on thousands and thousands of people from Louisiana and Mississippi, truly tens of thousands of people who fled for safety, for security, for food, and for shelter.

It has been 64 days since Katrina hit and about 50-some-odd days since Rita hit, two of the deadliest storms in U.S. history. But it was not just the storms that did us in, not just the category 4 or category 5 storms of 175-mile-an-hour winds that did us in. It was the 17 levee breaks in one of the largest cities and metropolitan areas in the United States. And not just any city—an international city, an international region, the heart of the energy coast, the city that secures the mouth of the Mississippi River and, may I say, the parishes that surround the great city of New Orleans—Jefferson, St. Tammany, Plaquemines, St. Bernard, and to the south we have parishes such as Vermillion, and along the southwestern part of the State, Calcasieu, and Cameron that were hard hit by Rita. There were over 2 million people displaced because of the storms and the subsequent levee breaks. It was the largest catastrophe, natural disaster in the history of the Nation.

Our frustration—the Senator from Arkansas, the Senator from Montana, and other Senators from the Democratic side, and even Senator GRASSLEY—is that it has been very difficult for people in Washington, particularly

members of the administration and the majority party, to understand the desperate and unprecedented nature of this disaster and what it has done to people—poor, middle income, and wealthy.

Let me share a statistic in terms of doctors that is quite startling. Doctors are not usually in a poor category, nor are they really in any government program in a sense. Most doctors make a considerable amount of money, and most doctors live in very nice homes. They have studied hard, and they have worked hard. Most doctors would not be in a Government program. But just to give a sense of the displacement, there were 6,000 active patient care physicians in this region before the storm. Sixty-five days ago, there were 6,000 active patient care physicians. Over two-thirds, 4,486 have basically been displaced out of 3 central New Orleans parishes that were evacuated.

Not only do we not have hospitals or clinics, our doctors are gone and our nurses are gone. The system is literally collapsing as we speak. That is why Senator LINCOLN has been here not just today but almost every one of these 64 days trying to get this body and Congress to understand the magnitude of the disaster, the unprecedented nature of the disaster, and why it is important for us to provide a few billion dollars to help us keep the lights on, get our doctors back, our nurses back, keep what hospitals we can standing up, because an unprecedented number of people have not just lost their homes but have lost their jobs and, as a result, have lost whatever health care, whatever access to good care they needed.

Let me make one other point. The point I want to make in my short time—the ranking member of the Finance Committee is here—as Senator LINCOLN said, this is about choices. I believe we as a Congress can make better choices. We can do better. We can do better by the people we serve.

The reason I say that is because the majority party is in a position to write the rules. We are writing a rule today that basically says we are going to provide $70 billion for tax-cut extensions. Some of them may be good, but we are deciding as a Congress that we are going to give $70 billion in tax cuts for 5 years. That is $14 billion a year. Yet when Senator LINCOLN and Senator BAUCUS come to the floor to say we need $6.2 billion to just help people who have lost their homes, lost their churches, lost their schools, lost their neighborhoods, and lost their jobs, to just give the poorest of the poor access to health care so they can take care of their cancer or diabetes or even desperate mental health situations just for a few months or a year, we are told that we cannot afford that.

It is about choices. It is about the choices we are going to make on spending and tax cuts. We are basically told: I am sorry, Louisiana, Mississippi, and Alabama. The only thing you rate is $1.8 billion for health care. That is all you rate, and that is all this will do, is take care of just the Medicaid Program that was only in the 13 parishes.

But what I have to explain to people is, because New Orleans is the largest city in Louisiana, because this region is the largest economic contributor—it is a profit center to the State—our State budget is now struggling with a $1.5 billion to $3 billion shortfall in the State general fund. As a result of the loss of revenue due to this catastrophic event, our entire program is struggling, not just in the parishes in which the hurricane hit, where the wind blew, the waters rose, the trees fell, and the homes collapsed, but our whole State is struggling. That is why Senator LINCOLN and Senator BAUCUS come to the floor and say: We thank you for the $1.8 billion, but it is not enough to keep our program up and running this year.

This is not just any program. This is not a program that Louisiana thought about. This is a Federal program. It is in the essence of a Federal-State partnership, as you know, Mr. President, from your work in Tennessee. The Federal Government puts up 70 percent, and the State government puts up 30 percent. What I am here to tell you is the State partner has experienced a great setback. The State partner is going to have a very hard time, if not impossible time, putting up the 30-percent match to keep our children and our poorest citizens, as well as those who are vulnerable, in health care for the year.

So we come here 65 days after the storm, when we are spending money on everything we can imagine—from new programs, expansion of programs, tax cuts—to say, please consider a basic service of health care, not just for the parishes that were affected and the counties in Mississippi but for the whole States of Louisiana and Mississippi that are struggling.

Particularly in Louisiana's case, we were harder hit, we had more levees break, our major city was flooded. Jackson was not flooded. New Orleans was flooded. Our major economic base, from our ports to our energy industry, have been directly impacted and revenues have fallen off precipitously.

Let me share one other statistic and then I am going to wrap up. I asked my staff to give me something so I can explain to people what the losses are. They went back to 2003. Now, this is only 2 years. This is an average of people who are unemployed in Louisiana. We work hard just like everyone else. We averaged about 135,000 people unemployed in June of 2003. Let us pick June of 2004: We had 119,000 people receiving unemployment. Let us go to January 2005: We had 119,000 people. Right before the storm in August of 2005, we had 122,000 people unemployed.

So I think one can say over the last 2 years we have had roughly an average of 120,000 people unemployed. In one month, our number jumped from 122,000 to 227,000 people—100,000 people in one month are seeking unemployment. That is how desperate people are. It has never happened in these 2 years. I bet if we went back and looked at it for the last 20 years, the only spike that one would find like this is maybe in the 1980s when the oil industry collapsed and almost everybody in Louisiana lost their livelihood. We have not seen this in so long, we do not remember a time such as this.

I do not know why we are having a hard time explaining this to an administration and to the majority about how desperate the situation is. We are not ungrateful for the steps that have been taken. We are not ungrateful for the FEMA money that is slowly getting to us. What we are saying is we need to do better.

Today, how do my colleagues think I felt watching the President of the United States stand up and tell everybody that he was going to allocate $8 billion for the avian flu? I do not know where he is getting the $8 billion for the avian flu. All we are asking for is $6.2 billion to keep a health care system of the whole State standing up until we can figure out what we might need to do because we do not have all the answers. It has only been a few weeks. Our system has basically collapsed. It is going to take us a little bit more time to figure out what the long-term solution is.

For the people that Senator LINCOLN talked about that stayed on their refrigerator for 3 days, for Mr. Albert Bass, who was a painter in the ninth ward, who went to the hospital with a 104-degree fever, his Medicaid application has been denied; he needs help now. For Ms. Stewart, who lives in Jefferson Parish, she was a teacher; she has been denied Medicaid. She is 51. She is married. Her husband receives Social Security. She was diagnosed with cancer. Her cancer is back. Her health situation is worsening. She has no more income. I need to tell Mrs. Stewart what her outlook is.

What I am going to tell her is, we are going to find money for the avian flu, we are finding money for Iraq, we are finding money for a tax cut, we are going to raise $4 billion more by selling off spectrum, but I am sorry, we cannot get you into a hospital.

The final thing I am going to say, maybe the majority does not like that it is a Government program. So Senator LINCOLN, Senator BAUCUS, Senator GRASSLEY come up and say, well, let us have some way for the businesses that had people on unemployment—I mean insurance, the businesses have collapsed, but these businesses are valiantly trying to keep people on their insurance program because they know the desperate situation of their employees.

I cannot say what most businesses are going through. Business owners are taking money out of their own pocket, going into their own savings account, trying to pay their employees with no money coming in the front door. These businesses have been in business 30

years. These employees have been loyal to them. They have showed up for work every day. Talk about public-private partnerships. This amendment is an $800 million fund that is not a new program. It goes to our insurance commissioner to try to help work with small businesses and businesses so that people can keep their health insurance, so that they do not fall onto the Government payroll, so they do not become wards of the State.

This is self-help. This is partnership. This is self-reliance. With all of that, we have been told, no, come back later.

We are going to continue to come back because while we are grateful for the $1.8 billion, it is so far short of what we need to stabilize our health care system. For a State that is 4.5 million people, that has literally been punched in the gut and is rolling back, this administration has got to do better by the people of Louisiana, Mississippi, and the gulf coast. Charity starts right at home. Strength begins right at home. Our war is right at home in the Gulf Coast States. When one is fighting cancer, it is about as tough as it gets. When one has their son or daughter dying of a fatal disease, it is about as tough as it gets. That is a private war that people are going through. We keep walking away from it, pretending that it is going to go away. Well, it is not going to go away. I am not going to go away. The Louisiana delegation is not going to go away.

Finally, we will realize that this is not a regular hurricane. This was an unprecedented catastrophe that has taken a major economic center to its knees, and it is going to take more than whitewashing and press conferences and a little bit of money drabbed here and there to stand us up so that we can continue to be the great region we are, pay taxes to this country and contribute to the economic benefit.

As I said, we are not a charity case. We have contributed billions of dollars to this Government and will continue to. In our hour of need, we have to come and ask for pennies on the dollar. So I hope that we can do better. We must. We can. There is most certainly room in this budget on the spending side or the tax side to do better.

We are grateful for the $1.8 billion, but we need Senator LINCOLN's amendment, we need the leadership of Senator BAUCUS. I thank Mr. GRASSLEY, the Senator from Iowa, the Republican leader of the Finance Committee, who has been a champion on this issue. If he had a little more support from his caucus and from the administration, we might get more than a Band-Aid, because we are hemorrhaging.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I do not know who is yielding the time.

The PRESIDING OFFICER (Mr. CHAMBLISS). The Senator from Arkansas controls the time.

Mrs. LINCOLN. What is the time remaining on our side, please?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. LOTT. Parliamentary inquiry: How much time remains on this side of the aisle on this issue?

The PRESIDING OFFICER. The Senator has 51 minutes remaining.

Mr. LOTT. Has the Senator from Montana spoken on this subject?

Mr. BAUCUS. Not yet. I plan to speak now.

Mr. LOTT. Mr. President, I want to speak on the subject also, but I would defer to the ranking member of the committee, and then hopefully I could speak right after that.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I yield time to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, 9 weeks ago yesterday, Hurricane Katrina hit the gulf, killing over 1,000 people, displacing over 1 million people, leaving the region with a cleanup bill that might reach $200 billion. Katrina left a gaping need in health care in the affected States and those that are hosting States. I do not know how to say it any other way but that the devastation is biblical.

I visited the area 5 or 6 weeks ago. Other Senators did, too. I do not think there is any Senator who actually visited who would come up with any other feeling or belief that it is biblical. Unfortunately, very few Members of this body have actually been there. Unfortunately, very few Members of this body have actually seen the area, seen what is left, and it is not much, whether it is in Louisiana, New Orleans or the Gulf States. It is incredible how much the area has been destroyed. People who are alive do not have jobs, do not have homes, do not have schools, do not have their lives. It is absolutely incredible, and it is devastating. It is biblical. I do believe firmly, if every Senator in this institution were to see the areas affected, see the people, see what is happening, there would be a different result.

We have become too academic around here. We read too many memos. We talk too much among ourselves. There is too much sort of theory, not enough actual on the ground, what really is going on. If Senators were to see it, feel it, taste it, smell it, there is no doubt in my mind that this amendment offered by the Senator from Arkansas would pass, it would pass unanimously, and we would not be debating it. We would be probably asking how could we help some more.

So in the meantime, how has this Congress responded? To be fair, it has not. Incredibly, it has not. In the hurricane's wake, the chairman of the Finance Committee and I drafted a bill to cover evacuees under Medicaid for a short period of time, 5 months, to help provide health care to low-income people who do not have their jobs anymore, who do not have health insurance anymore, who do not have a place to put their kids in school, do not have homes—just temporary health care, 5 months. That was the bill we offered, a bill that Senator GRASSLEY and I put together.

Who supported it? Everybody in the affected States, Republicans, Democrats, Senators, Governors, supported it. Did we get it passed? No. We cover evacuees below the poverty level of $9,500. Think of that. People who earn that low income need help, particularly in the circumstances faced by the people in the aftermath of this destruction of the hurricane.

Our amendment also would cover pregnant women and kids at twice that income level. That is not a lot of money. That is about $19,000 a year. That is all. Pregnant women and kids with incomes above that much would not get covered by our amendment but up to that level, $19,000 a year, that is all, pregnant women who only earn $19,000 a year. We say let's help them out for 5 months but at least help them out. That bill did not pass.

What else did Senator GRASSLEY and I provide for? Well, an $800 million fund for health care providers' uncompensated care cost. What is that all about, uncompensated care? What does that mean? That means help to those hospitals, those doctors, who gave free medical care out of the goodness of their hearts. Free medical care to people, regardless of what it cost, they just gave it; it is uncompensated care. Because those folks did not have insurance coverage, they did not have ways to pay the bills. It was free care. So we are saying, those hospitals are Good Samaritans, those doctors are Good Samaritans. They were not compensated at all for their care, so let us give them a little bit, $800 million—that is all. I know that the true uncompensated care cost is many times that. We are saying, let's help those Good Samaritans and show them that we care.

And who is ''we''? We are the American people who pay taxes. We are Members of the Senate saying, OK, we represent our people back home. Those of us offering this amendment say we believe that our people in our States want to help out. They want to help these people who do not have health care, who have lost their jobs, lost their health insurance, help people who are in desperate need of help.

Indefinitely? No, for 5 months. For a long time? No. For a huge amount? No, a little bit. We think the American people want to help give some care to those people who need it and who are good Samaritans. But this body so far has said we are not going to help those good Samaritans. We are going to leave them out in the cold.

Senator GRASSLEY and I also suggested giving 16 months of full Federal funding to the beleaguered Federal programs of the affected States. What does that mean? That means for 16 months

we, as Americans, are going to help those States meet their Medicaid bills—for 16 months. But our bill has been blocked. It has been blocked by a small group of Senators on the other side of the aisle.

What do these Senators on the other side of the aisle say? What is their reason for blocking this bill, this little, small bill that helps some people for a short period of time? What do they say? That our bill provides an open-ended expansion of Medicaid. It is the camel's nose under the tent. It is a theoretical, ideological argument.

They argue also that the Government, that is HHS, Department of Health and Human Services, can take care of this crisis without congressional action. They say you don't need that, Congress. We, the administration, can take care of this. That is what they say. They also argue that our legislation is unnecessary spending. They keep those same arguments in effect today.

Let me take those points on one by one. On the first, the amendment before us provides, as did the bill Senator GRASSLEY and I offered, temporary 5-month Medicaid coverage. It is not indefinite; it is temporary, 5 months. We also suggest the President can renew that coverage for an additional 5 months, but that is it. It is not an open-ended Medicaid expansion. It is getting help to those who need it; not down the road, not forever, but now, because people need health care now. That is not something they can postpone. When you need health care, you need it right now. What about the argument that the administration, HHS, can take care of this problem without congressional action, that the administration can take care of Katrina health needs through something called Medicaid waivers?

Simply put, that is not true. It is simply not true. They cannot do that under the law. They need a change in the law to do that. They cannot do that on their own. Last week in the Finance Committee, HHS testified they do need legislation to provide additional funds for the States to meet Katrina health needs. They admitted it before the Finance Committee. They also said the plan to provide only $100 million for new funds for uncompensated care costs—that $100 million is a paltry pittance compared to what is needed in the State of Louisiana alone.

I might say, too, legislation is needed to address these needs, but the President still has not asked Congress to pass the legislation to make that happen. We provide it in this amendment, but they do not.

Finally, Senators on the other side of the aisle argue that this bill constitutes wasteful spending; since we have already appropriated $60 billion through FEMA, two-thirds unspent, we should use those funds first. These same Senators argue we should scale back the bill's pricetag.

I have listened to my colleagues on the other side of the aisle. Senator LINCOLN has listened to them. Senator LANDRIEU has listened to them. We want to get legislation passed. We want to help people in some way.

Guess what. In the spirit of compromise we scaled back our bill, offsetting it with unspent FEMA funds. That is, we are doing what the Senators wanted us to do. The amendment before us reduces the cost of the Katrina health package by giving 12 months of State Medicaid relief instead of 16 months; it removes the reductions in 29 State Medicaid programs—that bothered them, we removed that part—and by using unspent FEMA funds to offset its costs, the amendment does what the White House advocated last week.

As you know, last week the White House proposed redirecting $17 billion in unspent FEMA funds to help rebuild the gulf coast. Let's look at that $17 billion. Of that $17 billion, $3.3 billion would go to reconstruct military bases—not health care needs but military bases—and $2.3 will be spent on highways and bridge construction.

I am speaking perhaps out of place here, but I visited the military bases that have been the subject of this amendment here. Yes, there is damage there, but it does not begin to compare with the other damage, the damage to the homes and the roads and the bridges, the lost jobs and health care needs. There is no comparison. I don't know why we are spending $3.3 billion to reconstruct a military base but not spending the money to help people with their health care needs.

Mr. President, $410 million would help farmers remove debris and rehabilitate the land. Those are good causes. But the President's request doesn't ask for increased health care funding. It does not help those hospitals or doctors who were Good Samaritans by providing uncompensated care relief. It does not help States care for evacuees through their overburdened health care programs, and it doesn't help patients now.

As I say, this amendment, to remind my colleagues what one of the opponents on the other side argued for a moment ago—it does it. What is that? When trying to move this bill through the Senate, a Senator on the other side, on September 30, said, and I quote him:

> The question is not whether we should or want to provide assistance. But we want to make sure we do it in a way that ensures that resources get where they are most needed and in a way that takes advantage of the $45 billion or so that has already been appropriated but has not been committed yet.

Guess what. That is what this amendment does. It uses unspent funds to meet the urgent health care needs of Katrina victims. More than 9 weeks after this major national disaster hit our shores, we are still waiting for this Congress and the President to act on Katrina health care needs. The reconciliation bill we are considering provides some help for victims, but the $1.8 billion in the bill is not enough. It has been called a downpayment. It is not a downpayment; it is an end payment in the minds of the administration and those on the other side of the aisle. It is a last payment; it is not a downpayment. Why is it not a downpayment? Because they are saying no to extra funds being suggested here. So it is not a downpayment. That is flat inaccurate. It sounds nice, but it is inaccurate.

We need to provide more Federal funds to help the affected States. Louisiana is in very dire financial straits. It will have to cut its Medicaid program by an estimated 40 percent if that State doesn't get funds by the end of this year. Think of that. It has to cut Medicaid by huge amounts if it does not get the needed funds.

We also need to provide the funds for uncompensated health care costs to ensure providers—doctors, hospitals, health centers, the Good Samaritans—are recognized. And we need to ensure that low-income survivors get the health care they need, whether or not they meet Medicaid's rigid eligibility rules.

In Louisiana alone, half of those who have applied for Medicaid have been turned away because they don't meet those standards. Think of that. Half the people in Louisiana have been turned away. They have health care needs. It is diabetics, cancer patients, people with dire needs who are turned away. We are not talking about high-income levels. Currently, a single mom who makes more than $2,500 a year would not get covered. Think of that. We are raising that to $9,500 a year. Right now, in the view taken by the other side of the aisle, a single mom who makes more than $2,500 a year would not get coverage. She would not get any help.

What are we saying? Let's raise it up to $9,500 at least. That is not a lot of money; $9,500 a year. That is not a lot of money. If she makes more than that, she doesn't get help, but if she makes up to that level, she does get some help.

This is not right, that this amendment is not being passed. It will not be agreed to. It is clear by the tone of this debate here. The Senator from Louisiana said we are going to keep working until we get something passed. Why? Because it is the right thing to do.

I see the chairman of the Budget Committee is sitting there, deeply pondering, his chin on his hand there. I am saying to the chairman: There is a way to do this. The way to do it is to pay for it out of unspent Katrina appropriated dollars. There is a way to do this.

I know the chairman is very concerned about total costs. He should be concerned about total costs. That is his job. But there is a way to do this and that is through this amendment. It is through the already appropriated dollars that are unspent. It does not add

to the deficit, does not add to the budget woes the chairman is worrying about. There is a way of doing this.

I am calling upon all of us as Senators to find a way to do this. We all know it is the right thing to do. We all know it is the right thing to give temporary health care assistance to people in the affected areas. We all know that. We all know it is the right thing to do to help some of those hospitals and doctors who have been Good Samaritans get a little bit of help because all America wants to help. We all know that. All America wants to help those doctors and those hospitals a little bit.

I say to my good friend from New Hampshire, find it in his head and in his heart to help make this thing work because it is so important to so many people who are counting on us to recognize them, give them a little bit of hope—that is the very least we can do—and support the amendment offered by the Senator from Arkansas.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. I will yield to the Senator from Mississippi such time as he may use off the amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the Senator from New Hampshire, the manager of this important legislation, for yielding at this time. He has been very patient as this amendment has been discussed. And the distinguished Senator from Oklahoma certainly has been patient, thinking he was going to have to wait 5 or 10 minutes after this amendment, so I will try to be brief.

Let me say there is no question in my mind about what our needs are in Mississippi and Louisiana. The people I love the most, my neighbors, my family, and constituents I have represented for 33 years, are hurting. They need lots of help.

Right across the hall now are 12 superintendents from south Mississippi saying: Help us, please, and do it quickly because FEMA is not delivering trailers for our employees. We are open because we want to get our children back in school, but we need operating expenses, we need help right away. Not just rebuilding, we need help to keep operating because the tax base has been destroyed—no ad valorem tax, no sales tax, nothing in some of the counties that are affected.

Look, I know firsthand how bad this situation is. Every time I go home it breaks my heart again. Fortunately, the people there are resilient and determined to come back. They appreciate any help we give them. They don't whine a lot, from my neck of the woods, they just keep working.

I agree with what has been said here in a lot of areas. First, this Senate has not done enough to help the people, and what we have done is being slow-rolled by the Office of Management and Budget and FEMA. The list of horror stories, if I put them in the RECORD, would stagger my colleagues here.

A good job is not being done—yet. The money we passed, $63 billion almost, probably—maybe $40 billion has been spent. Meanwhile, some contractors have not been reimbursed; schools have not gotten a nickel; the Mississippi Department of Transportation is not being reimbursed for the money they have already spent. There are horror stories of what Congress has not yet done in terms of changing the law. There is a bill pending right now at the desk from the Government Affairs and Homeland Security Committee, S. 1777, that would do an awful lot to help our people in a lot of areas by changing the laws, by removing caps. It would not necessarily cost a lot more money. It would extend the time for unemployment benefits from 26 weeks to 39 weeks, and so on and so on. There is a lot we could be doing. We ought to do it.

But what is this bill we are working on? This is the deficit reduction legislation, I thought. I thought this is where we found places where we could make savings where money is not being properly spent, or spent to the best effect. Several committees have worked to come up with the savings we have. And, by the way, gee whiz, we came up with more money than the budget required. So, ''Gee, where can we spend it?''

Yes, I am one of the ones who is trying to do that. I supported the effort of Chairman GRASSLEY and Ranking Member BAUCUS to get a bill through—I don't know, 6 weeks ago—that would have provided $8.5 billion, I think it was, for Medicaid. I didn't cosponsor it because there were things in there I was uncomfortable with, but I thought we needed to take action quickly.

So we came down to this. Now it is $1.8 billion. How did we get $1.8 billion for Katrina in the deficit reduction bill? I don't want to brag too much; I am not even particularly proud of it. But I said if you don't put that in there, I won't vote for the bill, and if I didn't vote for it, it wouldn't have passed because, unfortunately, we have to do it with all Republican votes.

Democrats won't help us at all. That is why it is in here. But it is not enough. It is not all we need. The plate has been passed. We got a little help. Now I am going to come back and say give me another $2 billion, $3 billion, or $4 billion. That is going to depend on how we add to the deficit. This is not all it is going to be. But this is a good start, $1.8 billion.

I have gotten to the point where I am saying I don't want it all, just help me a little. This is responsible, what we have done here—$1.8 billion to increase the Federal match for Medicaid in the FEMA disaster counties. That is an important differentiation.

One of my problems I keep arguing about is I have people in northwest Mississippi who are not in the disaster area. We shouldn't increase the eligibility for them. They weren't hit by the hurricane.

I would be perfectly willing to just say: Governors of Louisiana, Mississippi, and Arkansas, we are going to give you X dollars for Medicaid, and you make sure it gets to the people who really need it. I have not been able to sell that. A lot of what we need can be done by OMB without us doing a thing. They could take it out of the $60 billion-plus that we passed.

But I don't think we should use deficit reduction or the need for Medicaid help to immediately increase eligibility. I don't think we ought to provide 100 percent FMAP to all of Mississippi and Louisiana, including in those areas that were not affected. We may need to increase eligibility, but this is supposed to be to help people who were hit by the disaster, who were displaced by the disaster, or live in the area and lost everything.

I tried to make a point to my colleagues when they said we have to be fiscally responsible. I say help me explain to the people in Hancock County, MS, who lost their job, their house, their car, their truck, their boat, their dog, that we have to make sure we are fiscally responsible. I am not going to do that. We are going to help that person. That person has a slab, a mortgage, and no job. We are going to help them or I am not going to be part of an institution or government that will not help people in America who are hurting like that.

I can get just as passionate. I lost my house. I am emotional about that. Everybody around me lost their houses. And people who worked all their lives and saved everything, they have lost it all. This hurricane is a great equalizer. If you are poor and you lost everything, you have nothing. If you are middle income and you lost everything, you have nothing. If you are a retired doctor and you lost your home and your car, you ain't got much left.

We need to do more. There is no question about that. But we do the right thing here by raising the FMAP 100 percent for those areas that are affected. We need to do more in this uncompensated care area, and we are going to do more.

But I ask my colleagues—I know how heartfelt this is for my colleague from Louisiana and the Senator from Arkansas. They are trying to do the right thing. But I am just saying, let us not pursue the perfect at the expense of the good. I was a part of the deal. I got all I could. I will come back at the next round in conference and try to get more.

When we get through this, we will be back trying to get what we need. But to my colleagues from the affected States and those who want to help us, I want to remind them that when you ask for more than you are really entitled to, or when you ask for things not in the hurricane-affected area, or for people not in the affected area, you are hurting your credibility. When you ask for a huge number and include things that maybe are not in the area, and I

could do that, then our colleagues say: Wait a minute. We have to make sure we help those people who really need it, but we don't do things under the cover of the hurricane that can't be justified on behalf of the American taxpayer.

Having been critical about the recovery, let me just say to everybody—to volunteers, to the military, to the private sector, to the faith-based groups, to this institution, to so many people who have helped us when we have been on our knees—we appreciate it. We have to do a lot more. But I don't think we are in a position to be looking a gift horse in the mouth.

Let us do this now, and let us keep working because we have a long way to go.

This hurricane was so overwhelming, the damage is so monumental that it overwhelmed Federal agencies. Nobody can really appreciate what we are dealing with here. It is just more than we ever dreamed, including people like me. I have been through six hurricanes, two tornadoes, an ice storm, and a flood. I have never seen anything like this.

We are not going to fix this tonight, in a week, in a month, or in many months. It is going to take years.

I want to make sure, my colleagues, that I come back to you again and again and say: We need this help. I have done my homework. It is justified, and we need you to do it on behalf of these people.

Thank you very much. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Mr. President, what is the time agreement?

The PRESIDING OFFICER. The Senator from Arkansas has no time remaining. There is 50 minutes remaining in opposition.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, under the unanimous consent agreement, the understanding was that we move on to the Inhofe amendment and to the Nelson amendment. And although it wasn't agreed to, I believe it can now be agreed to that the amendment in order after the Nelson amendment will be the Lott amendment, except if we end up going into tomorrow, the first two amendments will be Senator CANTWELL's amendment followed by Senator GRASSLEY's amendment.

If Senator LOTT's amendment or Senator NELSON's amendment do not come up tonight, we follow those two amendments. Is that correct?

Mr. CONRAD. The chairman, as always, has it exactly right.

Mr. GREGG. I ask unanimous consent that be the order of business.

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

Mr. CONRAD. Mr. President, for the information of our colleagues, because we have a half dozen Senators or more on this side who have asked to have time to speak on the bill, let me send a message in this way, if I can, to our colleagues and the staff who are listening. Obviously, the events of this afternoon have blown a hole in the time on the budget bill. What was the game plan before this afternoon has clearly been altered. Now, we have tried to lay out a schedule of amendments, as the chairman has just indicated. Next, we will go to Senator INHOFE.

Could Senator INHOFE give us a picture of how long he might require?

Mr. INHOFE. Yes. I respectfully say I can do mine in probably 15 minutes.

Mr. CONRAD. Then there may be some discussion on the Inhofe amendment on this side. Then we would go to Senator NELSON. That would be in approximately 20 minutes, perhaps, for the information of Senators.

How long would Senator NELSON require?

Mr. NELSON of Florida. Ten minutes.

Mr. GREGG. We will have a response, I presume. That is another 20 minutes.

Mr. CONRAD. Then we go to Senator LOTT.

Maybe that helps, for the information of our colleagues, as we try to go through this bill with some efficiency as we get toward the end of this day. We will close, by prior agreement, at 8 o'clock.

Mr. NELSON of Florida. Mr. President, may I inquire? There are two amendments that I will be offering in tandem. What is the procedure that the Senators would like me to use in offering those amendments? They deal with the same subject.

Mr. GREGG. I don't think the agreement reflected two amendments; it reflected one amendment. Let us take a look at it while the amendment of Senator INHOFE is going forward and see if we can work it out.

The PRESIDING OFFICER. The unanimous consent agreement is for one amendment.

The Senator from Oklahoma is recognized.

AMENDMENT NO. 2355

Mr. INHOFE. Mr. President, I ask unanimous consent that the pending amendments be set aside for the purpose of considering an amendment.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE], for himself, and Mr. CHAMBLISS, proposes an amendment numbered 2355.

Mr. INHOFE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To cap non-defense, non-trust-fund, discretionary spending at the previous fiscal year's level, beginning with FY 2007)

''Beginning with fiscal year 2007 and thereafter, all non-defense, non-trust-fund, discretionary spending shall not exceed the previous fiscal year's levels, for purposes of the congressional budget process (Section 302 et al. of the congressional Budget Act of 1974), without a ⅔ vote of Members duly chosen and sworn.''

Mr. INHOFE. Mr. President, I want to make a couple of observations. I happen to be one of the very first Members of the Senate to go down after Katrina to Louisiana and Mississippi. In fact, actually, we went all the way from New Orleans to Alabama in a helicopter. The devastation that took place is incredible. It reminded me a little bit of the tornadoes we have seen in Oklahoma. The difference is a tornado normally will affect about 5 square miles as opposed to a couple thousand square miles.

I certainly wouldn't want anything that I say to imply that we are not deeply sympathetic to the problems of the people of Louisiana and Mississippi, and to a lesser degree in Alabama. But I have to observe, as I have been listening to this debate, that you can always pour more money on a problem. This is something we have seen in government forever.

The Senator from Montana outlined a lot of things on which we need to spend more money, as did many others over here. You can always do that. I would question whether it is the Federal Government's responsibility to take care of everything that happens when a disaster occurs. We didn't expect that in Oklahoma, and I don't think it should be expected. For one thing, we couldn't do it.

The other day, there was an op-ed piece by the senior Senator from Alaska, Mr. TED STEVENS. He talked about the 1964 earthquake and the devastation. He actually had to go out and repair his own house and do a lot of this work, and not even 10 percent of that was taken care of by the Federal Government. We have a mindset now that somehow the Federal Government has deep enough pockets to take care of all of these problems. Frankly, it is just not right.

It is not true. You can't have it. We are going to have to get a handle on this thing, and I want to help.

I can say them in a relatively short period of time. I have been working on a solution to this problem with an amendment for quite some time. I have actually wanted to offer it previously on appropriations bills. But to do that, I would have to initiate a program of negating paragraph 4 of rule XVI of the rules. I don't think that is appropriate. It has been done three times in the last couple of weeks by three of the Democrat Senators. I don't criticize them for it, but I think if I do this on the Republican side it would be the first time that procedure would have been exercised, and it would not be appropriate.

Last Thursday or Friday, toward the end of the week, I had a colloquy on the floor with Senator FRIST, and we specifically discussed bringing up the amendment that I have in mind on the budget reconciliation bill. I am not

naive. It could be that there will be a budget point of order against it. It doesn't really make any difference. We are going to get a vote on this bill.

This is a very simple solution to a very complex problem. I understand a bill is going to be introduced which is going to eliminate all earmarks. That sounds real good. There is a big population out there that thinks this is going to solve the problem. But it doesn't solve the problem.

I mentioned this the other day when my junior Senator brought up a bill to do away with a bridge up in Alaska. I said: Look, you are looking at something where one of the few things that really works well in Washington is the way we handle the Transportation bill. What we do is determine by a formula that no one thinks is fair. Because you always want more in your own State, you take into consideration highway mortalities, the number of road miles, the donee status, and then you come up with a formula. That formula will allocate to the States an amount of money. This money, I might add, is money that has been paid in taxes at the pumps so that it goes to improving our transportation system. When you do this, if you send that to the States and they say, all right, you in the States determine the priorities that you have in the State of Florida, or in the State of New Hampshire, what do you think is the proper thing? That is either done by the elected representatives or by the local people.

In my State of Oklahoma, we have the transportation commission with eight commissioners in eight geographic areas of the State. They prioritize projects, and it is done very well.

With have earmarks to lock in these projects. That can be done, and these decisions are made locally.

There is a mentality in Washington that if a decision is not made in Washington, it is not a good decision. It is a little bit arrogant to say, Yes, the money has gone out to these States, but we in our wisdom do not think it should be spent on those projects that they think it should be spent on in this State—in this case, the State of Alaska, the well-known bridge, so-called Bridge to Nowhere, when, in fact, that bridge was a bridge that was for economic development, according to the Alaska Department of Transportation. They said out of 100 projects, that was No. 4 from the top because they want to develop that area and they cannot develop the area because people cannot get to the area. I am not sure whether I agree with that, but I don't care; that was their decision, not our decision in Washington to make.

If we were to pass a bill to eliminate all earmarks—it is not going to save money in the Transportation bill; almost all of that was below the line in formulas—all it would say is if you eliminate that earmark, then you are going to have to go back and decide what you want to spend that money on. The money is not going to be saved. The money is going to still go to some projects, but we will have dictated that from Washington, DC. I am not saying this critically, because some of my closest friends and good conservatives believe if you eliminate earmarks, you will resolve a problem. You are not going to resolve it.

But there is a way to do it. I have a very simple amendment that will do that. The White House has been looking at ways to cut unnecessary spending. The White House, to their credit, proposed a package of $2.3 billion in cuts. On October 24, 2005, Scott McClelland briefed the press regarding the White House's efforts, stating that certainly an area we have been looking at is rescinding spending increases, and congressional leadership has been looking at this for a long time.

There is a simple solution to this. I have a one-sentence amendment that I will offer to the reconciliation bill. A lot of people think you have to get long and involved verbiage before you can do something good. When I was in the House in 1994 on the issue that ended up being considered the greatest single reform in the history of the House of Representatives, that was my amendment. It was one sentence. You do not have to have long, complicated sentences.

I will read the one sentence that is in this amendment. I know one of the cosponsors of this is the Presiding Officer. It says:

> Beginning with fiscal year 2007 and thereafter, all nondefense nontrust fund discretionary spending shall not exceed the previous fiscal year's levels without a two-thirds vote.

Why a two-thirds vote? Something like Katrina comes along, something that is unanticipated, sure, two-thirds of the people may decide we should do something. That is not going to happen very often.

Let me be a little bit partisan because I have heard a statement—not a misquote but certainly taken out of context—one of the Republican Senators saying that all Senators are big spenders; they are all big spenders equally.

Frankly, that just is not right. Yet we do have a solution to this problem. I will show that spending is a partisan issue. This chart shows the Democrat amendments we have seen so far. I can update this. The bottom line is that it is $530 billion—half a trillion—for these Democrat amendments. They are from Senators BINGAMAN, STABENOW, BYRD, AKAKA, HARKIN, KENNEDY, DAYTON, DORGAN, BIDEN, CLINTON. It goes on and on. These are amendments that were offered. These are amendments that were defeated—most of them. All the amendments were considered. If you add up all those amendments by the Democrats in this Senate, that is what you get—half a trillion. If you carry that out to the end of a 10-year period, it is over $1 trillion. Those are specific amendments offered.

We stood in the Senate a few minutes ago and listened to several Senators talk about how much more money we should be spending on these programs. We are going to hear it. I am sure tonight and tomorrow we will hear it. Nonetheless, that is a fact. My solution will not get into entitlements. That will be addressed with reconciliation. There are other ways of doing that.

Of course, right now the defense spending will have to stay up because we went down in our defense spending during the 1990s. We have to rebuild the military. We all understand. I believed the primary top functions that should be performed by Government would be national defense and infrastructure.

In the case of infrastructure, that is money people have paid. That is a moral issue. Most people believe that when they pay the high taxes at the pumps, somehow that will get into building roads and repairing roads. It should. Unfortunately, the highway trust fund has been robbed. The aviation trust fund and other trust funds have been robbed. They need to be kept intact.

However, this very simple solution is one that should pass this Senate. Because of a procedural vote, it might be a budget point of order and need 60 votes to pass. However, if you look at what many of my colleagues on the Democrat side have said—Senator BIDEN said specifically on more spending cuts:

> If I had designed a deficit reduction plan, I would have done it differently.

Senator DORGAN says that we need to provide spending cuts in a significant manner.

Senator FEINGOLD says:

> We also need to continue to cut spending in Federal programs . . .

Senator LEVIN stated how we need to cut spending. The last thing he says in the 1993 reconciliation, the same thing we are talking about today:

> Discretionary spending is frozen for 5 years.

He advocated freezing discretionary spending. That is exactly what my amendment does.

It says:

> Beginning with fiscal year 2007 and thereafter, all nondefense nontrust fund discretionary spending shall not exceed the previous fiscal year's level without a two-thirds of majority vote.

It is very simple, cut and dry, something that can pass. And there will be a vote on this, whether it is a procedural vote or a vote on the content. I hope those individuals who have a more complicated approach to this will recognize this is something that is doable.

I have had the unfortunate experience this year of trying to find every bill that comes up that is over either the budget or last year's spending, and I have opposed that because this is the only way we will get this back in order.

I recognize this is a time when we are going to have deficits. The American

people understand that. We do know we had a rebuilding job to do in the military. Then along came September 11, and we are in the middle of a war. We have to prosecute this war. Then Katrina and some of the other disasters have taken place. We recognize these are difficult times. This is one area in discretionary spending that we can do something.

I look forward to getting a vote on this.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the chart the Senator has put up here labeled ''Democrat spendometer'' is a complete fabrication, a total concoction. That chart suggests Democrats have offered amendments costing $460 billion this year. False. Absolutely false. I know the Senator has borrowed that chart from somebody else. He did not prepare the chart, but he has used the chart, and the chart is wrong.

First, the ''spendometer'' ignores the fact that many of those Democratic amendments were offset. In fact, because they included additional deficit reduction, the net effect of all Democrat amendments to the 2006 budget resolution would have reduced deficits by $57 billion. The ''spendometer'' double-counts Democratic amendments because it treats them as if they were a package instead of offered individually.

Many of the Democratic amendments covered the same subject areas as an earlier amendment that was defeated and would never have been offered if the earlier amendment had been agreed to.

The ''spendometer'' also overstates the cost of Democratic amendments in the most egregious way—by transferring 1-year amendments into 5-year amendments. That really strains credibility. To convert amendments that were offered for 1 year on an appropriations bill and make them into 5-year amendments in cost is a complete concoction.

The fact is, on the budget resolution, Democratic amendments would have reduced the deficit by $57 billion; the net cost of Republican amendments was $79 billion. They would have increased the deficit by $79 billion.

Our colleague says it is a partisan issue, spending. He is right. During the last Democratic administration, spending went down as a share of gross domestic product. That is, the economists say, the best way to measure it. Spending went down each and every year during the last Democratic administration, from 22 percent of gross domestic production down to 18.4 of gross domestic production. Democrats, when they were in charge, cut spending.

Let's look at the Republican record. Here is what has happened under the Bush administration. Each and every year, spending has gone up, with one exception, of the time they have been in control. We went from 18.4 percent the last year the Democrats were in control, and we are up to 20.2 percent of gross domestic production now that Republicans have been in control.

The story does not end there. The bottom line is what has happened to the debt. When our Republican colleagues took over, the debt of the country was $5.7 trillion. They have increased the debt each and every year by $500 or $600 billion. They have gone from $5.7 trillion this year. The end of 2005, the debt was up to $7.9 trillion. Under the budget that is before the Senate now, they will take the debt up to over $11 trillion. That is the record of our colleagues on the other side. They are in control. They control the House, they control the Senate, they control the White House, and they are leaving this country a legacy of debt, debt, debt.

Here is the reality. When they came in and they took control of everything, the debt of this country was $5.7 trillion. Today, they have increased it to $8 trillion. And this is, by the way, when the President said he was going to have maximum paydown of the debt. But look where it is headed. Under the budget in the Senate now, they will raise the debt over the next 5 years to $11 trillion. This is unbelievable. They are approaching $6 trillion of added debt while they have been in control, and they are out here claiming that we are the spenders. Hello? We are not in control. They are in control. They are the ones running up the debt. They are the ones running up the debt.

It does not end there. The package they have that they claim is deficit reduction is not deficit reduction. Read all the chapters of the book before you reach a conclusion of what the message is. The message of our friends on the other side is debt on top of debt. The first chapter is the one we have before the Senate now that slices spending a little bit over 5 years. Then we come back, cut taxes more, and add to the deficit. But the third chapter is they will increase the debt limit by $781 billion for 1 year alone. That brings their 4-year total to over $3 trillion of added debt. And the budget they have before the Senate, a 5-year budget—these are not my numbers, these are their numbers—they will run up the debt another $3 trillion.

Here is the bottom line: It took 42 Presidents 224 years to run up $1 trillion of foreign-held debt. And this President in 4 years has exceeded what 42 Presidents over 224 years had done to the debt of this country.

If they want to start talking about deficits and debt, bring it on. Their record is a record of deficits and debt unparalleled in the history of this Nation. Let me repeat, it took 42 Presidents 224 years to run up a trillion dollars in foreign holdings of U.S. debt. This President has more than doubled it in 4 years.

So I hope every time that ''spendometer'' chart comes out, they are prepared to listen to this speech all over again because that chart is a complete concoction.

On the Inhofe amendment itself, the Budget Committee has never held a hearing on this amendment. This amendment from the Senator from Oklahoma tries to decide the appropriate level of discretionary funding for years to come; in fact, permanently. This amendment says that an increase in funding over the previous year's level for nondefense, nontrust fund funding would be subject to a two-thirds vote point of order.

Just so our colleagues understand the upshot of this amendment—and I am certain it is well intended—this amendment would seek to freeze funding for homeland security, for veterans health care, for education, for the National Institutes of Health, and many more priorities, and not just for 1 year, but permanently.

Is anybody listening? The Senator's amendment seeks to freeze funding for the Department of Homeland Security, for veterans health care, for education, for the National Institutes of Health, not for 1 year, but permanently. Permanently is a long time.

Sixty-six Senators could support increased funding for our veterans or for homeland security. But it would not be enough under this amendment of the Senator from Oklahoma because he would freeze funding for those functions permanently, unless you could get a two-thirds vote.

We have a point of order in the Congressional Budget Act under section 306 for exactly this reason. This far-reaching change to our system of enforcing spending restraint should not be made without Budget Committee oversight. And it certainly should not be done as part of a fast-track vehicle with limited debate. This amendment clearly and completely violates section 306 of the Congressional Budget Act, and it is not germane. At the appropriate point, I will bring that budget point of order.

Ms. STABENOW. Will the Senator yield?

Mr. CONRAD. At this point, we have to go to Senator NELSON, unless Senator INHOFE has—

Mr. INHOFE. Yes. I want to respond. I thought I had the floor.

Parliamentary inquiry, Mr. President: Do I have the floor?

The PRESIDING OFFICER (Mr. THUNE). The Senator from Oklahoma now has the floor.

Mr. INHOFE. All right. Well, let me do this. I think the Senator from Georgia wants to make a comment. I would like to yield to him. Then I would like to respond to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. I thank the Senator from Oklahoma.

Mr. President, I say, very quickly, I have been sitting here listening to this debate with real interest. My friend from North Dakota, who always makes good, strong, passionate arguments, first, fails to respond to the Democratic spendometer.

All of those are Democratic amendments. Every one of them spends exactly the amount of money the Senator from Oklahoma said it spends. It is half a billion dollars that would have been added to the deficit had Republicans not defeated those amendments.

Secondly, I would say, I guess I get lost in this verbiage sometimes, but here we are, this week, for the first time in 8 years, addressing the issue of spending and trying to reduce spending that has already been committed. It has been a very difficult exercise. As the Senator from North Dakota knows, who serves on the committee I chair, we had a difficult time in the Agriculture Committee coming up with some reasonable reductions in spending. Of course, while he did not vote for any of those reductions in spending, which is going to help the deficit, some Democrats did. At the end of the day, we are going to save $70 billion. We are going to reduce mandatory spending by $70 billion.

So I think the Senator from North Dakota has made the argument for the amendment the Senator from Oklahoma has authored by saying if we are serious about cutting spending, let's cut spending. This amendment is going to hold our feet to the fire. This amendment in and of itself does not reduce spending. But the Senator from North Dakota is right; no, it freezes spending. It says we are not going to spend any more money. But if two-thirds of the Members of the Senate say it is OK to spend it, then we will increase spending over the previous year.

That is a pretty dadgum good thought and a novel thought, and I applaud the Senator from Oklahoma for coming up with that. Because if two-thirds of us agree we ought to spend more money, it is probably the right thing to do. But if two-thirds of us do not agree to do it, then it is probably not the right thing to do.

So I think the Senator from North Dakota makes the argument for the amendment of the Senator from Oklahoma. I urge an affirmative vote on it at the appropriate time.

Mr. GRASSLEY addressed the floor.

Mr. INHOFE. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. Who yields time?

Mr. INHOFE. Mr. President, I ask the Senator, would you like me to yield time to you? I am trying to finish this.

Mr. GRASSLEY. Yes.

Mr. INHOFE. Mr. President, I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I get a little tired of people on the other side of the aisle making the point that tax cuts are responsible for the deficit we have, when you consider we inherited a recession from the previous administration, and we had September 11, and because of the catastrophe of September 11, income to our Federal Treasury went down from $2.1 trillion to $1.75 trillion. That went on over a period of 3 years before the economy turned around.

Then, to find fault with the tax cuts of 2001 and 2003, a person no less than Chairman Greenspan said those tax cuts were what turned this economy around. And turning the economy around, we have $274 billion more coming into the Federal Treasury in the year 2005 than we did in 2004.

And then, especially when you measure deficits by gross national product, our deficit now is less than it was in 1993 under Clinton. Our deficit now is less than it was under Reagan in 1982, and a lot less in the case of 1982.

Now, what I rise for is this: the justification that was made this morning that we are having this reconciliation bill, cutting expenditures, so we can cut taxes. We are not going to cut taxes any more. We have done that in 2001 and 2003. That tax policy is what turned this economy around and brought in $274 billion more this year than last year, even $70 billion more in the last 10 months than we estimated back in February would come in this year.

But the case the other side is making that we want to have further tax cuts—if we take no action, what they want to do is have an automatic tax increase. We have a lot of tax provisions that are going to sunset this year. If we do not keep tax policy the way it is, we are going to have a tax increase.

Now, they like to have more money coming in so they have more money to spend. I would like to have somebody on the other side of the aisle tell me how high taxes have to be to be high enough to satisfy their appetite to spend money. I have never heard that. But the fact is, they can have a tax increase and not even have to vote for it. So we have to take action between now and the end of the year to make sure the existing tax policy, that was good for the economy, keeps this economy going, as Chairman Greenspan has given those tax cuts credit for where we are.

I want to tell my colleagues what is going to happen if we do not take action before the end of the year to continue the tax policies that would otherwise sunset, that somehow they do not want us to continue.

Our objective is to preserve current levels of tax relief. These tax increases would occur if my friends on the other side of the aisle—and maybe even an occasional Republican or two—have their way and thwart the reconciliation bill in the process.

First, the tax relief plan continues the hold harmless provision of the alternative minimum income tax. This piece of the plan, the largest, I might add, is worth about $30 billion to 14 million American families. You can see by this chart, if we do not take action, we are going to have about 5 million middle-income taxpayers paying more taxes next year because they will get hit by the alternative minimum income tax.

I want to remind everybody that the alternative minimum income tax was meant to hit the very wealthy, who were taking advantage of every tax loophole they could and not paying any tax, that they ought to pay something. But it was never meant to hit middle-income America.

We are going to have in my State of Iowa 65,000 more Iowans pay tax they were never supposed to pay if we do not take action between now and December 31.

Look at all the places where I wish I could think of all the people who have been complaining the most about what we are talking about. But the point is—North Dakota, for instance, I think it ought to be pretty obvious. Do you want 13,364 North Dakotans to pay additional tax if we do not take action before the end of the year?

Mr. CONRAD. No.

Mr. GRASSLEY. Well, I am glad to hear that. But I have heard different rhetoric from the other side. And Michigan is here, if I can find Michigan. We ought to put things in alphabetical order, but it does not matter. It does not matter. You are going to have tens of thousands of people or hundreds of thousands of people paying additional tax if we do not take action.

Now, that is just one provision.

We reduce the capital gains from 20 percent down to 15 percent, and we have been told that is already figured into the stock market. Do we want to let the middle-income taxpayers pay a higher capital gains tax? I do not think so, because there are so many middle-income people now who are investing through their IRAs, through their 401(k)s, that we do not want them to be hit by this.

We have the tax deductibility of college tuition. We have the small savers credit. We have the small business expensing provisions that are going to sunset at the end of the year.

All of these provisions have been bipartisan. Millions of American taxpayers rely on these provisions. Do my friends want to take away the deductibility of college tuition for middle-income Americans that is capped at $60,000? These people who are sending their kids to college ought to have, beyond December 31 of this year, the ability of taking advantage of that deduction.

We have the small savers credit. Do my friends want to take away the expensing of equipment for small business? I don't think so. But they would lead you to believe that we want to cut taxes for the rich. The plan addresses expiring business and individual provisions that we call extenders. These provisions include the research and development tax credit, State sales tax deductibility, and the deductibility of teachers' out-of-pocket expenses. Do the people who say we are going to give tax cuts to the wealthy consider our teachers, who pay out-of-pocket expenses for the classroom, that they

ought to not have the tax deductibility for that? That is going to end December 31.

Mr. INHOFE. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. INHOFE. I believe the pending amendment is the Inhofe amendment. If I may beg the indulgence of the Senator from Iowa, if I could go ahead and conclude my remarks on my amendment and respond to the Senator from North Dakota, he could go back on the reconciliation bill and finish his remarks.

The PRESIDING OFFICER. The Senator from Oklahoma may reclaim the time that he yielded the Senator from Iowa.

Mr. INHOFE. I don't want to do it unless the Senator from Iowa agrees, because his remarks are excellent. If I could finish, it would be a matter of a couple minutes, and then you could get back on the reconciliation bill, if that would be acceptable to the Senator from Iowa.

Mr. GRASSLEY. Go ahead. You interfered with me. Go ahead.

Mr. INHOFE. Mr. President, let me go ahead and conclude.

First, I have a great deal of respect for the Senator from North Dakota, but I disagree with him. Let me point out a couple of things that I believe are not correct.

The Senator from North Dakota said a lot of these amendments were dealing with the same thing. They are not. If you look at them, each one has a subject matter. They are not dealing with the same thing. Secondly, he said they are offset. I would ask the Senator from North Dakota if he can name one that is offset. You can't because these are not offset. The budget analysts said all of these were not offset amendments. They were amendments that were offered, and they were offered by Democrats. And when you add up all the money that is in these amendments that they have offered—I believe most of these were rejected—it would have been an additional half-trillion dollars. It is very clear they are offered by the Democratic Senators.

I started off my remarks by saying we are in a unique situation now. Fortunately, the recession is behind us now. That is not a factor. But this President had to rebuild a military. Then 9/11 came. He had to get involved in a war. Then we had a couple of disasters that were almost unprecedented. I said at the beginning of my remarks, this is not something we can handle in 1 year or even maybe 2 years. But nonetheless, we have to do something specific to get into this thing and to get this thing done, and there is a way of doing it without overly complicating it. That is my amendment.

I would like to also respond to the Senator from North Dakota in his statement about tax cuts. I agree with the Senator from Iowa; they say over and over again that we want to have tax cuts, as if you are cutting revenues when this happens. There was a very great President of the United States that was elected in 1960. His name was John Kennedy. John Kennedy, in 1962, said—and these are his exact words; I don't have to read it because I memorized it: We have serious problems in this country. We are going to have to increase revenue. If you want to increase revenue, then you have to reduce marginal rates, and that will happen. He reduced marginal rates and, sure enough, the revenues did increase.

Then along came President Reagan in 1980. President Reagan started the 8-year period that had the greatest marginal rate tax cuts of any 8-year period in the history of America. If you take the total amount of money and add up the marginal tax rates in 1980, it was $244 billion. In 1990, it was $466 billion and almost doubled in that decade that was the greatest number of tax cuts in the history of this country. I know Democrats don't like to cut taxes. But you can increase revenue by cutting taxes, we have proven over and over again. It happened after World War I. It happened during the Kennedy administration. It happened during the Reagan administration, and it has already happened during the Bush 2 administration.

We can sit around and talk about these things. The bottom line is, if we want to do something about it, there is going to be a vote. You will have a chance to register your belief as to whether or not you want to do something about the deficit. It has already been suggested there will be a budget point of order. That is fine with me. That means there has to be 60, instead of a majority, to get it passed. At least at that time, when that vote takes place, the American people will know who in this Chamber is serious about reducing the deficit, about cutting spending.

With that, Mr. President, that is the argument I make on my amendment. I look forward to getting a vote at the appropriate time, whether it is a vote on my amendment or a vote on a budget point of order.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the very able Senator from Oklahoma has asked me for a list of the amendments that were offered on the Democratic side that were offset. He asked me to name one.

Mr. INHOFE. Up here.

Mr. CONRAD. Yes, from that list. I won't name one. I will name 10. The Bingaman amendment on education, completely and totally offset; the Stabenow amendment on first responders, completely and totally offset; the Byrd amendment on Amtrak, completely offset; the Akaka amendment on veterans, completely offset; the Harkin amendment on education, completely offset; the Kennedy amendment on education, completely offset; the Dayton amendment on IDEA, completely offset; the Dorgan amendment on tribal programs, completely paid for; the Biden amendment on COPS, completely paid for; the Byrd amendment on transit highway, completely paid for, offset.

That chart is a total and complete concoction and fabrication. These are budget resolution matters I have talked about where the combined effect of Democratic amendments was to reduce the deficit $57 billion because they were offset.

In addition, what that chart does is, it takes on appropriations bills amendments that were offered for 1 year, and our friends on this chart have multiplied them into 5-year amendments. They weren't 5-year amendments. They were 1-year amendments. Appropriations bills are for 1 year, not for 5 years. They have taken them and multiplied them by 5. That is false.

Beyond that, those amendments were not offered as a package. They were offered individually. So they would offer an amendment. The amendment was defeated. The money was still available for a different amendment. To then add them up and multiply it by 5 and forget about the offsets and put out a chart here on the Senate floor that suggests that is a fair representation is way beyond the pale.

Mr. INHOFE. Will the Senator yield? First of all, I did yield the floor. I don't have the floor anymore. But I am not going to be able to stay. I would like to respond to some of the things you have said as you progressed further. Would you yield to allow me to do so?

Mr. CONRAD. I would.

Mr. INHOFE. I appreciate that very much. First of all, I have been told by the budget analysts that, in fact, they were not offset. Some of them proposed tax increases. You could call that an offset. I don't. That is increasing taxes to do it.

We are getting off center from the purpose of my amendment. My amendment does something specifically that you can't argue against. You are either for or against it. As I look at these, these are specific amendments. It shows the amount, what the amendment does, and the years that would be affected. So it is true that that would be over a 5-year period because that is what the amendment was for. But if you take that on to the end of it——

Mr. CONRAD. Will the Senator yield?

Mr. INHOFE. You are yielding to me. Let me finish here. It would actually be over $1 trillion, if you carried it out to the end of a 10-year period. I understand what you are saying about 1 year, and that is fine.

Mr. CONRAD. There is no merit to that chart. There just isn't.

Mr. INHOFE. These are all specific amendments.

Mr. CONRAD. I have the floor now, Senator. Let's be factual here. That chart is a complete concoction. That is all there is to it. That takes amendments that were offered for 1 year, multiplies them by 5, doesn't count the

offsets. In the budget resolution, we offset our amendments. We paid for them. That is an offset. When you pay for things around here, that is an offset. I know that is a new idea around here, but that is what we are offering in our amendment, pay-go. We say, you can have new tax cuts. The Senator from Iowa says, we are going to kill all the tax cuts. No, we are saying if you want more tax cuts, you have to pay for it. If you want more spending, you have to pay for it. That is what pay-go is about. That is what Democrats have offered in this fight. We have offered the pay-go amendment. It used to be in place. We used to have it. We used to have that authority. We used to have that budget discipline. If you want to have new tax cuts, pay for them. If you want new spending, pay for it.

In addition to the fact that I listed 10 amendments that were offset that don't show up on their chart as offset, that chart is false on every single one of those amendments. In addition to that, they have taken 1-year appropriations amendments and multiplied them into 5-year amendments. Please, those weren't our amendments. Those are a concoction of what our amendments were.

I hate to say this, but our friends have lost sight of the fact that they are in control. These deficits and debt didn't skyrocket under our watch. Our friends control the White House. They control the Senate. They control the House of Representatives. They have since 2000. And the debt of the country has gone up from $5.7 trillion to $7.9 trillion. And under the budget that is being considered—and this legislation is part of that package—it is going to go up to $11 trillion.

They have raised the debt of this country in 6 years by almost $6 trillion. It wasn't Democratic spending because your side has been in control. Every dime of this spending occurred on your watch. Every dime of this increase in debt is your responsibility. These have been your budgets. These have been your plans. These are your deficits and your debt. You have stacked it up on the American people. I repeat: It took 42 Presidents, 224 years to run up a trillion dollars of external debt, debt held by foreign countries, foreign investors. This President has exceeded it, exceeded a trillion dollars of additional external debt, debt held by foreigners. This President exceeded it in 4 years.

Mr. INHOFE. Will the Senator yield?

Mr. CONRAD. I will not. What has been added to the debt of this country will weigh us down for years to come, and this is debt added by our friends on this side of the aisle. Every dollar of spending that has occurred has been spending that they voted for, that they supported.

I now yield 10 minutes to the Senator from Michigan off the amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. I thank the Chair. I thank my colleague and esteemed leader, our ranking member on the Budget Committee.

I rise this evening to oppose the amendment of my friend from Oklahoma, as well as the entire budget resolution that is in front of us.

Together, America can do better than this budget and this amendment. Basically, what the amendment is saying is, if we want to invest in education so every child has the opportunity to succeed in America, we wish to create greater opportunity, it would take 67 votes. If we want to provide another tax cut for those most blessed in this country, those doing most well, the best of anyone in terms of their financial situation, that would take 51 votes. If we want to invest in science and new cures for Alzheimer's and Parkinson's and diabetes, it would take 67 votes. If we wish to give to those most blessed with resources in our country a tax cut, it would take 51 votes.

That is the wrong set of priorities for our country. I support tax cuts certainly. I sponsored and worked with colleagues on both sides of the aisle to add a new tax cut for manufacturers so if they create jobs in the United States they have a lower tax rate than if the jobs and business go overseas. Certainly, we agree together that the alternative minimum tax needs to be fixed so middle-class families are not impacted by something that was put into play to affect only those who are the most wealthy from avoiding all taxes.

We could go down the list of things that we support on a bipartisan basis. But where we differ is where we have gone in this country under a failed set of values and priorities.

And this amendment only makes that worse. We can do better than that. Our Nation's budget is designed to reflect the values and priorities of our great country. It is essentially our country's values document. I believe this budget does not honor our Nation's values, and it has the wrong priorities for our country.

I believe this amendment does the same, again, saying if we wish to invest in the health of the country, if we wish to help manufacturers who, in my great State, desperately need our help by changing the way we finance health care in this country, that would take 67 votes. But if we wish, instead, to provide another round of tax cuts to those who are most blessed in this country, that takes 51 votes. That is the wrong set of values and the wrong set of priorities, and we can do better than that in America.

As Americans, we believe we should leave a better future for our children and our grandchildren. The American people expect us to make tough choices, just like they do around their kitchen tables every day, trying to balance the budget. In my home State people are not sure if they are going to have a job, what the pay is going to be, are they going to have their pension, are they going to have to pay more for health care. They are having to make the toughest decisions every day. They expect us to be responsible and make the tough decisions we need to make.

We do this because we don't want our children to have to pay for our debts. That is why we make tough decisions. Parents across the country work hard enough to build a nest egg for their children so they can have a better life than we have had as their parents. We want that. My great concern is that we are losing that for our children. I believe we are in a fight for our way of life in this country and nothing less. And the budget documents in front of us only make that worse, only add to the race to the bottom too many of our families are feeling.

This budget we are considering in two separate reconciliation bills will actually increase the deficit, not reduce it—increase it by $31 billion. America expects us to do better than that. Most Americans might wonder why are we increasing the deficit when we already have the largest deficit in the history of the country. We are fighting wars in Afghanistan and Iraq, and we must help to pay for the rebuilding of the gulf coast for all of those who have lost so much. Since 2001 when we had the largest surplus in history, we have taken a fiscal U-turn, and now we have the largest deficit in history, putting us back in the days of gloomy fiscal policies in the 1980s and early 1990s.

It is important to know there was a choice at that point, as our leader and our side of the aisle has indicated. When I started in the Budget Committee in 2001, we had the largest budget surplus in the history of the country. We had two choices. We could do what we were proposing at the time: take a third of that for stimulating investment in jobs, take a third of that in tax cuts to spur the economy, a third of that for strategic investments to spur the economy through education, innovation, to also spur the economy, and a third of that we wanted to put aside to pay down the debt and to keep Social Security secure. Instead, what happened. Our Republican colleagues rejected our approach, and now we have the largest deficits in the Nation's history due to the fact that all of it was put into a supply-side economics tax cut geared to the wealthiest among us at the expense of all of the rest of America.

Mr. President, these deficits are not free lunches. We have to pay them year by year. And how are we paying for them? Well, we are borrowing billions of dollars from Japan and China. Right now, Japan and China hold almost $1 trillion, $1 trillion of our national debt. And it is growing each and every year. Not only do taxpayers have to pay interest to China and Japan, our Government has refused to crack down on unfair trade practices with these two countries because we are so far in debt to them. I can tell you, coming from the great State of Michigan, our administration's unwillingness to crack

down on trade violations, currency manipulation, counterfeit auto parts, and stealing our patents has had a profound impact on our losing jobs in Michigan. They are all related because of our policies in terms of the national debt affecting our inability to, in fact, enforce trade violations.

We can do better than that. Together, America can do better than this. We can get our fiscal house in order and get tough with our trading partners who are not playing by the rules. The reconciliation bill, unfortunately, though, will hurt working families in Michigan. For seniors who have worked hard their entire lives, they will see their most basic services cut. For some working single-parent families, they will see their health insurance cut. For hard-working family farmers, their livelihoods will be put in jeopardy.

With so many working families losing health insurance or paying more for less, is this a good time to be cutting Medicare and Medicaid, our Nation's health insurance programs for seniors and children? We can do better than that.

Also, given all the economic problems hurting our rural communities, including a terrible drought in Michigan, is this a good time to cut programs that help our farmers? Is now the time to force farmers who are struggling into bankruptcy? We can do better that.

This budget's priorities are so different than those of Michigan families. Michigan families want us to fight for good-paying jobs, for affordable health care, and for a secure pension. In essence, they want us to fight to preserve their way of life, the middle class of our country, where they can raise their kids, send them to college, get quality health care, retire with dignity after 30 or 40 years of hard work, and know that pension is going to be there along with Social Security.

Mr. President, America can do better than this document and this amendment. If we make the right budget choices, we can expand health insurance for working families and lower costs. We can create jobs, protect pensions, bring down the deficit if we make better budget choices.

As my colleagues know, our Nation's largest auto parts manufacturer, Delphi, declared bankruptcy 3 weeks ago, threatening 13,000 jobs in Michigan and 35,000 jobs nationwide. Its workers may not only lose their jobs, they will lose their health care and their pension; in other words, everything they have worked for for their entire lives, everything they have earned, everything they are counting on for themselves and their families. Tragically, this budget package does nothing for them. It increases the deficit, which hurts our economy, gives Japan and China the upper hand in trade negotiations, cuts health care, and does nothing to protect people. That is why I intend to vote no on this budget and on the amendment. I will continue to fight for Michigan's families who are struggling every single day, and I believe it is not just Michigan families struggling now but American families all across our great country.

I worry about whether their way of life is going to continue to exist. They want a change. They know we can do better than this.

They know this budget debate really is a proxy for a larger philosophical debate, a larger choice on values and priorities.

The Republican approach to governing is that you are on your own—no matter what the issue.

We believe that all families need jobs, health care, quality schools and a secure pension.

The Republican approach is that you are on your own.

If you lose your job, you are on your own. If your Medicare premiums rise 13 percent, you are on your own. If your schools are not performing well, you get a school voucher. And if your pension is threatened, you can try to get some of it back from the PBGC.

Mr. President, America can do better. Together, we can create good jobs, maintain our middle class way of life and get our country back on track.

But this budget will take us in the wrong direction.

I urge my colleagues to oppose it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I think the time has expired on our side. I am prepared to yield back. Things are getting a little redundant. I stand by this chart. I have a friendly disagreement with my good friend from North Dakota. I do agree that there are some offsets with tax increases. I do not consider that something that we should be embracing. There are still spending increases, budget increases, and we need to do something about it now.

I would say this: If the reverse were true, and if all of the amendments to increase the deficit came from the Republican side, I would still introduce this amendment.

I am going to yield back so that my friend from Florida can take up his amendment because he is next in line. But I would say this: Even if it were done on this side of the aisle as opposed to that side of the aisle, I would still say we have to do something for my 12 grandkids, and that is really get a handle on this.

My amendment is good. There are all kinds of people endorsing it. The National Taxpayer's Union is supporting my amendment. I am going to read it one more time and then I am going to yield back the remainder of my time and there will be a vote on it.

Beginning with fiscal year 2007 and thereafter, all nondefense, non-trust-fund, discretionary spending shall not exceed the previous fiscal year's levels . . . without a two-thirds vote of Members duly chosen and sworn.

With that I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I understand now we go to Senator NELSON's amendment. I understand he needs about 10 minutes. I would suggest that Senator NELSON have until 5 of 8. We are going to wrap up at 8. And then I have the 5 minutes from 7:55 to 8 o'clock to respond to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object, I don't want to get frozen out of this time situation. If the Senator is saying that——

Mr. GREGG. We are giving your side 12 minutes, and I am getting 5 minutes. It does not sound to me that you are getting frozen out.

Mr. CONRAD. This Senator may be frozen out, and this Senator is going to object unless he is not frozen out. I am happy to go to Senator NELSON. Why don't we let him go and then see where we stand at the end. But I am not going to enter into an agreement that would not permit me to answer if I felt something required an answer.

AMENDMENT NO. 2357

Mr. NELSON of Florida. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. NELSON], for himself and Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mr. REID, and Mr. KENNEDY, proposes an amendment numbered 2357.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To hold Medicare beneficiaries harmless for the increase in the 2007 Medicare monthly part B premium that would otherwise occur because of the 2006 increase in payments under the physician fee schedule)

On page 268, between lines 10 and 11, insert the following:

(d) PREMIUM TRANSITION RULE.—

(1) 2006.—

(A) PREMIUM.—Nothing in this section shall be construed as modifying the premium previously computed under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2006.

(B) GOVERNMENT CONTRIBUTION.—In computing the amount of the Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2006, the Secretary of Health and Human Services shall compute and apply a new actuarially adequate rate per enrollee age 65 and over under section 1839(a)(1) of such Act (42 U.S.C. 1395r(a)(1)) taking into account the provisions of this section.

(2) 2007.—

(A) PREMIUM.—The monthly premium under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2007 shall be computed as if this section had not been enacted.

(B) GOVERNMENT CONTRIBUTION.—The Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2007 shall be computed taking into account the provisions of this section, including subparagraph (A).

(e) EXTENSION OF PRESCRIPTION DRUG DISCOUNTS TO ENROLLEES OF MEDICAID MANAGED CARE ORGANIZATIONS.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended—

(A) in clause (xi), by striking ''and'' at the end;

(B) in clause (xii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(xiii) such contract provides that payment for covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the entity shall be subject to the same rebate agreement entered into under section 1927 as the State is subject to and that the State shall have the option of collecting rebates for the dispensing of such drugs by the entity directly from manufacturers or allowing the entity to collect such rebates from manufacturers in exchange for a reduction in the prepaid payments made to the entity for the enrollment of such individuals.''.

(2) CONFORMING AMENDMENT.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)91)) is amended by inserting ''other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1903(m) that meets the requirements of paragraph (2)(A)(xiii) of that section'' before the period.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

Mr. NELSON of Florida. Mr. President, we reach a major watershed point now as we consider the budget, for contained in this budget is an increase of $1 billion required of senior citizens in the payment of their Medicare Part B premiums. This amendment that I am proposing cuts out that increase and offsets it. I am pleased to be joined by a number of colleagues who have cosponsored this amendment. Senator KERRY had wanted to speak on it, and it is my understanding that he is not here at this late hour, but he may speak later.

This is an amendment to protect seniors from these drastic increases in their Medicare Part B monthly premiums.

I thank all the Senators who have worked with me on this amendment. What our senior citizens are facing is when they pay a monthly premium, when they enroll in the Part B premium, that premium covers physician care, home health care, skilled nursing services, physical therapy, and other services. There are 42 million people in this country who are Medicare beneficiaries. Three million of them are in Florida. They are legitimately concerned about the growing out-of-pocket health care expenses. Why should they be? Let's look at history.

Over the past 3 years, the part B beneficiary premium has increased 50 percent. In 2006, the premium will increase by another 13 percent, to $88.50 per month. That represents a $10.30 increase over last year's monthly premium.

Our seniors simply cannot afford another premium increase on their fixed incomes. If anybody doubts what I am saying, remember gasoline used to be $1.50. Gasoline has approached $3. We have senior citizens in my State and all of the States who cannot afford to drive to the doctor anymore because they are on a fixed income. And now this bill would tack on an additional billion dollars more in Part B premiums.

This Senator does not believe that at this particular time seniors should bear this burden of another billion dollars in spending out of their pockets. I believe we should and I believe we can fix the physician payment rate without increasing the Part B premiums.

Another part of this reconciliation bill gives physicians a 1-percent payment update in 2006. This would avert what would be very unfortunate for physicians—a 4.3-percent cut under the sustainable growth rate formula used to update physician payments. I have supported and I continue to support improving the reimbursement rates for Medicare providers, including physicians. Without action in this area, we are going to continue to see individuals and communities underserved because no quality providers, including physicians, are going to be available to offer these services if they keep getting cut.

However, when the cost of physician care goes up, the Medicare Part B premium under the law must rise to cover it. Any change Congress makes to increase physician payment rates under reconciliation will be reflected in a beneficiary premium for senior citizens for Medicare Part B in 2007.

Under the current law, if the physicians are going to get the increase instead of a cut, that means that in order to pay that under the current law, the senior citizens are going to have to increase their Part B Medicare premium payments by approximately $1 billion. In response, what we are offering to do in this amendment is protect our seniors, for this amendment would exclude from the Part B premium the cost of the reconciliation package payment increase for physicians. Senior citizens would be held harmless from the effect of the reconciliation package and would, therefore, not see an increase in their premiums due to this physician fix, and it is going to keep the physician fix in place by increasing their reimbursements.

This amendment is revenue neutral. How is it paid for? Where is the offset? It is paid for by negotiating lower prescription drug prices for Medicaid's HMOs. This amendment would help to ease the financial burden on our parents and grandparents without harming the physicians who serve them.

We have to look out for these grandparents and parents who are on fixed incomes. I hope we are going to get some bipartisan support. I urge all of our colleagues to join me in this effort to protect our Nation's senior citizens.

Mr. President, I have been waiting for quite a while to offer this amendment. I said that I was going to be less than 10 minutes. I am happy to conclude in less than 10 minutes, but the import of this amendment is far beyond the time I have used to offer the amendment tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I appreciate the Senator from Florida being concise in presenting this amendment. I thank him for that and for sticking with the time as was represented. It was appropriate and generous of him.

The amendment, obviously, has an impact on the deficit. It would expand it. As a practical matter, it really has to be put in the context of the overall Medicare adjustments in this bill and in other bills because under the new drug program, seniors will actually see a significant discount. They will save about $5 on their prescription drugs over what was expected.

The Part B premium increase which will occur as a result of this bill will be $1.60. It seems more than reasonable to have structured an agreement where we will essentially allow patients to see doctors because we will be giving them the opportunity to see doctors because the doctors will actually participate in the system, whereas they might well opt out if we cut their pay by 4.3 percent.

Under this bill, of course, we avoid that because the Finance Committee has put together a package which allows us to basically hold doctors harmless. It is reasonable that seniors—we are not talking about low-income seniors here because their entire Part B premium is picked up by the Government. We are talking about middle and high income. Not to pick anybody specific, but Bill Gates's father, who is probably doing very well, or my mother, for example, has a right to the Part B premium and, therefore, is subsidized by working Americans, people who are in day-to-day jobs, to the tune of 75 percent. It is reasonable that we ask seniors to participate in the Part B premium, as they get the benefit of it, to the extent of 25 percent. This bill simply continues that process while making sure seniors will have access to doctors by basically supporting the initiatives of holding doctors harmless from a pay cut.

The underlying bill has some very positive spending initiatives, and one of them happens to be giving more access to more patients who are under Medicare. So I believe we should be supporting this amendment rather than offering amendments which will essentially undermine this effort.

Mr. NELSON of Florida. Mr. President, will the Senator yield on this point?

Mr. GREGG. I will be happy to yield for a question.

Mr. NELSON of Florida. I will put it in the form of a question. Will the Senator be surprised to know that instead of it being $1.80, it is more like a $3-

per-month increase in the Part B premium for seniors, on top of the 18-percent increase that is, in fact, going to be added just in this present year?

Mr. GREGG. I would be surprised to know that because, as I understand it from staff, the estimate, as by CMS, is $1.68. But I guess we can turn to the record and find that out. You may be right, CMS may be right.

In any event, the number seems to be reasonable in the context of the benefit being received, which is seniors are being asked to pay for 25 percent of the Part B, which is not a great deal compared to what Americans who are working are being asked to pay, which is 75 percent of that.

Mr. NELSON of Florida. Will the Senator yield for another question?

Mr. GREGG. Certainly.

Mr. NELSON of Florida. Given the fact that there are 42 million seniors who would be affected, would the Senator be surprised to know that this is a total of $1 billion that will come out of the pockets of seniors by the increased Medicare Part B premiums?

Mr. GREGG. I would presume the seniors are going to have to pay some of the cost of the Part B premium. As I said before, they are paying 25 percent of it. As I note, working Americans are being asked to pay tens of billions of dollars to support that benefit. In many instances, seniors who are receiving the benefits are moderate- and high-income seniors who have higher incomes than those working Americans who are working at a restaurant as servers or who are working on a factory line or working at a garage or who are working in maybe even a minimum wage job and are being asked to bear the burden of the HI insurance costs.

So it does seem reasonable and I think most seniors view it as reasonable that they pay 25 percent of the cost of their Part B premium. Yes, that adds up, if you take all the seniors in America—there are a lot of them—to a fairly significant number. So I would agree with that.

Mr. NELSON of Florida. Will the Senator yield for a final question?

Mr. GREGG. I will yield for a final question.

Mr. NELSON of Florida. Since this Senator was disciplined in his comments as promised, would the Senator be surprised that this amendment causes no increase in the Part B premium to senior citizens by offsetting what would be the enhanced payment to drug companies under the Medicaid increase that is going to the drug companies when they go over to HMOs from the current law that holds the drug companies to a discounted rate?

Mr. GREGG. In response to the Senator, the practical effect of what the Senator is proposing is to change a contractual agreement which the drug companies have already entered into. The basic effect of that would mean probably you would have fewer people willing to participate in the system and, as a result, seniors would have fewer choices. And I suspect that the practical effect, if the Senator's amendment were to go forward, is that the seniors would have fewer choices.

One of the few advantages of the Part D program, which I still am not all that enamored of, is that it is giving seniors a variety of choices in their drug benefit. As seniors become more educated as to what those options are, they are going to be impressed that there are so many options on the table, and they can tailor their pharmaceutical needs to the options available to them. If you change the contractual agreements which encourage people to offer that type of opportunity, you obviously are going to undermine the number of options that would be available, in my opinion.

Mr. GRASSLEY. Mr. President, this bill includes a 1.0 percent payment update to physicians for 2006. This was done to maintain beneficiary access to physician services. After all what good are Medicare benefits if you can't get in to see a doctor.

Within the bill, the impact on the part B premium is calculated based on *all* the provisions that affect Part B. This amendment would only hold the beneficiary harmless from the impact caused by the physician update.

Other provisions included in the bill would increase Part B spending and there are other provisions that decrease Part B spending—so why should we single out physicians?

In June, Senator BAUCUS and I sent a letter to the Office of Management and Budget calling for removal of Part B drugs from the physician payment formula. This letter was signed by 87 additional Senators from both sides of the aisle. If the administration were to remove Part B drugs from the formula—it would also increase the Part B premium over a number of years.

This letter did not suggest the need for a hold harmless. I wanted to point this out to my colleagues who supported this letter.

Some may feel that the Medicare drug premiums along with the Medicare part B premium may be a significant cost burden to beneficiaries. However, CMS recently announced that Medicare drug premiums will be lower than expected. The average monthly premium will be $32.20. That is $5 less per month than previously estimated.

Even if the part B premium is increased in 2007, the increase is nothing close to the $5 saved in the prescription drug premiums. And keep in mind that the part B premium increase does not affect low-income beneficiaries. Their premiums are paid for by the government. In fact, I worked hard to extend the QI program so Part B premiums would be covered. Currently, 16 percent of beneficiaries enrolled in Part B receive this assistance and more are eligible.

In addition, a MedPAC survey issued earlier this year found that 22 percent of beneficiaries already had trouble getting an appointment with a new primary care physician and 27 percent reported delays in getting an appointment. Payment cuts to physicians will only make these existing access problems worse.

I am also opposed to the provision used to pay for this amendment.

Regarding Medicaid MCO rebate, this amendment would in effect increase the rebate paid by drug manufacturers by making the rebate available to Medicaid managed care plans.

The bill we are considering today increases the rebate paid by drug manufacturers to States through the Medicaid program to 17 percent. The bill also closes a pair of loopholes that have the impact of increasing the rebate.

First, we require the best price of an authorized generic to be considered in the brand name drug's best price calculation. That will have the effect of increasing the rebate.

Second, we require physicians to notify the State Medicaid program of what drugs the physician administers in the office. Under current law, States are permitted to collect rebates on the drugs but nothing in statute requires physicians to disclose that information. As a result, States miss out on the appropriate rebate.

When all these policies are taken into consideration, we have increased the rebate paid by drug manufacturers by $1.7 billion.

Now I understand my colleague might not think that's enough, but I would encourage you to look at a CBO report put out this past June examining the price of name brand drugs. That report shows that the effective rebate being paid by drug manufacturers is actually 31.4 percent not 15 percent.

I am also concerned about the substantive implications of your offset. These Medicaid health plans are private businesses that can negotiate low drug prices. I think it runs contrary to the policy this committee passed in the MMA to allow the plans to negotiate the best deal they can get and then give them a rebate on top of that.

Yes, I do realize the Medicaid Commission accepted your offset in its recommendation, but I am quite certain the Medicaid Commission stamp of approval would not win your support for other proposals we could be considering today. We have looked at this area and come up with responsible policy that addresses loopholes. I don't think we need to further increase the rebate beyond what is already included in the bill.

Therefore, I urge my colleagues to oppose the amendment and the offset that funds it.

## MORNING BUSINESS

### NEVADA DAY

Mr. REID. Mr. President, I rise to commemorate an important day in Nevada's history. One hundred and forty-

one years ago, on October 31, 1864, Nevada was admitted into the Union as the 36th State.

I am proud of Nevada's heritage. Native Americans have called Nevada home for thousands of years, evidenced by the spectacular petroglyphs found in our mountain ranges. Pioneers blazed trails across the Nevada frontier and miners discovered lines and lodes of precious minerals that would to lead to Nevada's designation as the Silver State. While we honor and maintain our heritage, we also look with excitement at what Nevada has become today.

Every year, we welcome tens of thousands of people from across the Nation who want to make Nevada their home. We are one of the fastest growing States in the country, and all Nevadans, past and present, have made the Battle Born State what it is today. From the glittering lights of The Strip to the quiet strength of the bristlecone pines in the Great Basin, Nevada is a place we are proud to call home. Nevada is the majestic Ruby Mountains, the world-famous Black Rock Desert, magnificent Lake Tahoe, hard-working mining towns, and of course, Las Vegas, the world-class destination where millions of people from all over the world come to visit every year.

From the population centers of Las Vegas and Reno to rural communities that remain the heart of the American west, I have traveled all over the State in my decades-long career as an elected representative, and I am privileged to represent Nevadans here in Washington. Every day, I stand on the Senate floor and do the best I can for the Silver State and all those who call Nevada home.

I stand with my fellow Nevadans to honor our rich history and heritage and look forward to our bright future.

## TRIBUTE TO SAM MOORE

Mr. MCCONNELL. Mr. President, I rise today to pay tribute to the voice of Kentucky agriculture, Mr. Sam Moore. Mr. Moore is retiring as president of the Kentucky Farm Bureau after 7 successful years and will be forever remembered as the Kentucky farmer's greatest advocate.

Mr. Moore, a native of Butler County, first became involved with the Kentucky Farm Bureau in the late 1960s when he joined the Bureau's Young Farmer Program. By 1973 he was selected as Outstanding Young Farmer by the Kentucky Jaycees, and he knew he had found his calling in working with and for his fellow Kentucky farmers.

Mr. Moore has served on the Kentucky Farm Bureau's board of directors since 1975, and will continue to serve in an at-large capacity after his term as president ends. He is also a member of the American Farm Bureau's board of directors, and holds positions on the boards of the Southern Farm Bureau Life Insurance Company and Farm Bureau BanCorp. He has also served as president of the Kentucky Farm Bureau Mutual Insurance Company.

Mr. Moore has been a leader of the Butler County Farm Bureau and is a member of the American Soybean Association, the Kentucky Beef Cattle Association, and the Kentucky Corn Growers Association. He also serves on the boards of the Kentucky Grain Insurance Fund and the Kentucky Council on Agriculture.

Mr. Moore was elected as the bureau's president in December 1998 after 7 years of service as its first vice president. Immediately upon assuming office, he was faced with a major change in the tobacco farming industry: the leading tobacco companies and the State governments had reached an agreement called the Master Settlement Agreement, which would place significant funds into the various States' treasuries.

Mr. Moore was the driving force behind a bill in Kentucky to allocate half of Kentucky's proceeds from the Master Settlement Agreement—$3.6 billion over 25 years—into a new State fund that would dedicate the money to projects that develop the State's agriculture market, encourage environmental stewardship, support family farms, and fund agricultural research and development.

The whole process is overseen by the Kentucky Agricultural Development Board, which Mr. Moore has served on since its inception. Thanks to Mr. Moore and the board's efforts, Kentucky's agriculture industry is transforming to meet the needs of more Kentuckians.

But perhaps Mr. Moore's crowning achievement is his pivotal role in engineering the tobacco buyout of 2004. I worked side by side with Mr. Moore in that effort, and can testify that his hard work and dedication to moving that project through was critical to our success.

Thanks to Mr. Moore's efforts, Congress passed and the President signed a tobacco buyout bill that will guarantee $2.5 billion to Kentucky farmers and their families over the next 10 years. Farmers now have the opportunity to explore other areas of agriculture, free from the restraints the government placed on tobacco farming for so long. Nothing was more important to Sam's Kentucky Farm Bureau members—and so Sam worked long and hard, until he delivered.

Sam is the co-owner of the Green River Feed Mill and also serves as a director of Morgantown Bank & Trust. He farms over 4,300 acres, producing corn, soybeans, wheat, and cattle. He and his gracious wife Helen have six wonderful children.

Sam has dedicated decades of his life to farming and his fellow farmers because he loves farming so much. He has made a lot of friends across the State over the years, and I am proud to be one of them. Any friend of Sam Moore will tell you he spent his entire career with the Kentucky Farm Bureau thinking only of what was best for his members.

Mr. President, I ask my colleagues to join me in commending Mr. Sam Moore for his years of service to Kentucky.

## LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On January 7, 2005, Robert Martin, an openly gay man, was found severely beaten at an abandoned school in Ashburn, GA. Before the beating Martin was being taunted about his sexual orientation by the man who later attacked him. The man that attacked Martin is still being sought by police.

I believe that our Government's first duty is to defend its citizens, in all circumstances, from threats to them at home. The Local Law Enforcement Enhancement Act is a major step forward in achieving that goal. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

## DARFUR

Mr. KERRY. Mr. President, we must not lose sight of the devastating humanitarian crisis in Darfur, where some 3000,000 people were killed in the genocide and almost 2 million more forced into displacement camps. While some progress has been made in ending large scale attacks by government forces, daily attacks against civilians and aid workers continue in a climate of lawlessness, and the Khartoum government still has not reined in the Janjaweed militia. Given these circumstances, I remain concerned that the administration has not done enough to bring about a peace agreement in the region.

The African Union soldiers sent to Darfur to date have made some progress in providing much needed protection. However, their mandate and current personnel levels are not sufficient to keep the civilians and aid workers safe. America and the international community should work to ensure that the African Union is able to get more peacekeepers into place, with an expanded mandate that allows them to complete their important work.

I ask unanimous consent to have printed in the RECORD a Christian Science Monitor article from October 25, 2005 describing the current problems Darfur and providing some sensible proposals to solve them.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Oct. 25, 2005]

HELP AFRICANS HELP THEMSELVES IN SUDAN

(By Jeremy Barnicle)

WEST DARFUR, SUDAN.—As a white foreigner visiting a displacement camp here, I was greeted with the chant, ''khawaja no kwa.'' ''The foreigners say no,'' they sang, meaning international intervention helped curb the violence and ease the suffering in Darfur. The song was a gesture of thanks and respect.

The wealthy world fulfilled the first part of its obligation to the people here when it finally started sending emergency aid over a year ago. The second part of that obligation—helping African Union (AU) soldiers provide security for the 2 million people driven from home by the conflict—would consolidate humanitarian gains in Darfur and, as important, serve as a long-term investment in the stability of the entire continent.

In Darfur, the international community—specifically NATO and the United States—has a unique opportunity to help Africans provide security for their own conflict zones. The village raids have largely subsided, and access for aid workers has improved dramatically in Darfur over the past year, but the countryside is now racked with lawlessness and warlordism. Neither the government of Sudan nor the rebel parties seem able to control the violence.

Within this challenging context, it is critical that Darfurians living in refugee camps start to go home and recover their lives. Peace talks between the government of Sudan and various rebel groups continue in Nigeria, but there is little hope of a durable political agreement in the near future. Meanwhile, the people of Darfur are stuck suffering between no war and no peace.

Their most basic needs are met in displacement camps, but the situation is unsustainable: The longer they are displaced the more expensive it becomes for the international community and the less likely it is that they'll ever get home to rebuild their own communities. Ask a Darfur refugee what she wants and inevitably the answer is ''to go home, but only if there is security.''

People will return to Darfur only when they have security assurances they see as credible, and that's where the AU force comes in.

So far, the AU mission in Sudan has surpassed expectations. Displaced women used to be terrified of leaving camps to collect firewood, as armed men would stalk the outskirts of town and prey on them. Now, women can time their trips outside to coincide with AU patrols, which deter assaults. This is a development of which the AU and its backers should be proud.

The problem is that there are currently only about 6,000 AU troops in Darfur, an area the size of Texas. The AU says it plans to ramp that number up to about 12,000 by 2006. That would be too little, too late.

In order to help get Darfurians back home and back on track in safety, the AU would need to hit that 12,000 as soon as possible and be prepared to send at least a few thousand more if necessary. The U.S. and NATO are already providing important logistical and technical support for the AU mission, but standing up this larger force would require a speedy and substantial increase in their financial commitments. The U.S. specifically needs to apply diplomatic pressure to ensure that our allies meet the pledges they have made to the AU.

That commitment is the least the world can do. Consider this comparison. Following the war in Bosnia, the international community secured the country—especially high refugee return areas—by providing more than 18 peacekeepers per thousand Bosnians. In Kosovo, the world came up with 20 peacekeepers per thousand people. In Darfur right now, there is one AU soldier per thousand people, spread over a much larger geographic area. That is disgraceful.

An increased investment in the AU's peacekeeping capability now would also advance a huge shared goal for Africa and the West: to help Africans protect Africans. Several of the continent's conflicts need sustained, legitimate, outside military intervention and history proves that the West is unwilling to commit its own troops in any meaningful way.

Some respected analysts have called for NATO to deploy its own peacekeepers to Darfur. That is an appealing idea, but the fact of the matter is that the government of Sudan will never accept NATO troops on its soil, and their presence could actually further destabilize the region.

An indigenous peacekeeping force legitimized by international support and conforming to international standards is critical to mitigating conflict, enabling humanitarian access, and easing human suffering in Africa.

## LIHEAP FUNDING

Mr. CARPER. Mr. President, when I was governor of Delaware I was guided by a principle I learned years ago—if something is worth doing, it's worth paying for.

I served from 1993 to 2001, and we balanced the budget every year I was in office.

The principle of paying for the things that are worth doing is not always easy to follow. In fact, sometimes it's quite difficult.

It's especially difficult when we face the choice of how to fund important programs that we know provide vital services.

The Low-Income Home Energy Assistance Program, LIHEAP, is one of these important programs.

I believe that LIHEAP is worth funding and I think it's worth paying for.

And we need to pay for it because we are now in the unfortunate situation of having been saddled with record budget deficits for as far as the eye can see.

Unfortunately, more often than not, the current administration has shown us the opposite of good fiscal leadership. Instead of sticking to the motto, ''if it's worth doing, it's worth paying for,'' this administration has chosen to cut taxes and increase spending more than any other administration in the past 30 years. The result: record budget deficits and a bleak fiscal outlook.

This administration has turned the largest budget surplus in history into the largest deficits in history.

It is for these reasons that we must consider how to pay for increased funding for this vital program and for others as well.

The Labor, Health and Human Services and Education Appropriations Subcommittee took an important step toward providing adequate LIHEAP funds by including $2.183 billion in their fiscal year 2006 committee-reported bill. This represents a small increase over last year's funding levels. This is a good starting point.

However, we know that energy prices are rising and household heating bills will rise accordingly this winter. According to the U.S. Energy Information Administration, consumers who heat their homes with natural gas prices—about 55 percent of U.S. households—are expected to see their heating bills rise by 48 percent this winter. Those who heat with oil will pay 32 percent more, those who heat with propane will pay 30 percent more, and those who heat with electricity will pay 5 percent more.

For that reason, I contacted the Appropriations Committee in September to express the need for increased funding. I urged that they provide $1.276 billion in emergency LIHEAP funding as part of a comprehensive supplemental appropriations bill to address Hurricane Katrina and the effects it has had on energy production and the cost of energy for U.S. consumers. This additional funding would provide an approximately 60 percent increase over fiscal year 2005 levels.

Unfortunately, we have not yet had the opportunity to consider a Katrina supplemental and during the week of October 24, 2005 we were faced with the choice of how to increase funds for LIHEAP as part of the Labor, Health and Human Services and Education appropriations bill.

I am not comfortable supporting a $3.1 billion increase in LIHEAP funding if it is not offset by either a reduction in spending or an increase in revenues. I believe that we can increase funds for LIHEAP but I also believe that we need to pay for it.

As a result, I worked with my colleague, Senator BEN NELSON to search for ways to achieve enough savings to pay for additional funding for the LIHEAP program in fiscal year 2006.

Senator NELSON and I filed an amendment on October 26, 2005 to increase LIHEAP funding by $1.6 billion in fiscal year 2006. This would provide a 73 percent increase in funding over fiscal year 2005 levels. The increase would be offset with $1.6 billion from three tax provisions that either close tax loopholes or clarify and bring greater consistency to current law. We believe that these offsets are balanced—all three have gained support in the Senate in the past—and we believe that our colleagues could support their use as an offset for the LIHEAP program.

I would like to add even more funding to LIHEAP, but with the offsets Senator NELSON and I were able to identify, we were able to file an amendment that would increase funds by $1.6 billion.

Unfortunately, we did not have the opportunity to vote on the Carper/Nelson amendment during consideration of the fiscal year 2006 Labor, Health and

Human Services and Education appropriations bill. I will continue to search for ways to increase LIHEAP funding and likewise will continue to search for additional offsets to help pay for such an increase.

I believe in the LIHEAP program; I believe it serves a vital function in helping as many as 5 million low-income households who need a bit of help paying their energy bills or weatherizing their homes.

However, I also believe that as Americans, we can and must find ways to pay for our priorities. LIHEAP is worth funding, and it's worth paying for.

## HONORING OUR ARMED FORCES

### HONORING ARMY SPECIALIST CHRISTOPHER T. MONROE

Mr. BAYH. Mr. President, I rise today with a heavy heart and deep sense of gratitude to honor the life of a brave young man from Kendallville. Christopher Monroe, 19 years old, died on October 25 in Basra, Iraq. With his entire life before him, Chris risked everything to fight for the values Americans hold close to our hearts, in a land halfway around the world.

Remembered for his strong family ties and devotion to the Army, Chris was killed while filling in for a friend on a convoy, a change from his typical desk job. After September 11, Chris had yearned to serve his country and follow in the family tradition of military service. He begged his mother to allow him to enlist early at age 17. The 2004 East Noble High School student had been in Iraq for only a couple months when he was killed. Friends and family recounted that Chris was an outgoing, generous young man who had given up his Christmas leave to allow others in his unit to be with their families for the holidays. His mother, Annette, told local media outlets that she was proud of her son and that he died doing what he was born to do. Chris was engaged and was planning an October 2006 wedding.

Chris was killed while serving his country in Operation Iraqi Freedom. He was a member of the Army Reserve's 785th Military Police Battalion, based out of Fraser, MI. This brave young soldier leaves behind his father Perry Bolton II; his mother Annette Monroe; and his brothers Greg and Nick.

Today, I join Chris's family and friends in mourning his death. While we struggle to bear our sorrow over this loss, we can also take pride in the example he set, bravely fighting to make the world a safer place. It is his courage and strength of character that people will remember when they think of Chris, a memory that will burn brightly during these continuing days of conflict and grief.

Chris was known for his dedication to his family and his love of country. Today and always, Chris will be remembered by family members, friends, and fellow Hoosiers as a true American hero, and we honor the sacrifice he made while dutifully serving his country.

As I search for words to do justice in honoring Chris's sacrifice, I am reminded of President Lincoln's remarks as he addressed the families of the fallen soldiers in Gettysburg:

> We cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here.

This statement is just as true today as it was nearly 150 years ago, as I am certain that the impact of Chris's actions will live on far longer that any record of these words.

It is my sad duty to enter the name of Christopher Monroe in the CONGRESSIONAL RECORD of the U.S. Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Chris's can find comfort in the words of the prophet Isaiah who said, ''He will swallow up death in victory; and the Lord God will wipe away tears from off all faces.''

May God grant strength and peace to those who mourn, and may God be with all of you, as I know He is with Chris.

## ADDITIONAL STATEMENTS

### IN HONOR OF WILLIAM O'NEILL

• Mr. DODD. Mr. President, I rise today to honor a dedicated public servant and a dear friend, former Connecticut Governor, William O'Neill.

I had the honor of serving the people of Connecticut alongside Bill O'Neill for over 15 years, during which time we shared many of the same views and principles about the future of our great State. When I first took office in the U.S. House of Representatives in 1975, Bill O'Neill was the majority leader of the Connecticut House of Representatives. And, in December 1980, as I was preparing to take the oath of office as a newly elected U.S. Senator, Bill O'Neill became the new Governor of Connecticut, replacing the beloved Ella Grasso, who had resigned for health reasons.

Bill O'Neill had a remarkable ability to connect with the citizens of Connecticut. He was a pragmatic leader, but he also took pains to be forward-thinking. As a result, not only did Bill serve one of the longest gubernatorial tenures in Connecticut history, he also had one of the most influential.

Bill O'Neill understood the immense value of education to both the future of our State and the entire Nation. He fought to pass the Education Enhancement Act, which, among other things, improved the quality of Connecticut teachers and improved student performance. He oversaw the consolidation of the four ''State'' colleges—Eastern, Western, Southern, and Central Connecticut State University—into a stronger unified system. And he funded critical capital improvements on campuses throughout Connecticut.

He invested in a strong transportation infrastructure. In the aftermath of the tragic collapse of the Mianus River Bridge, soon after he became Governor, he responded not with a quick fix but by making long-term investments that have served Connecticut and the rest of the northeastern United States for decades and that will continue to do so for years to come. He made these commitments despite the devastating effects of the Reagan administration's budget cuts. He looked to impact Connecticut's long-term needs, and, as a consequence, he repaired Connecticut's roadways, overhauled the bus and train lines, and modernized Bradley International Airport.

Bill O'Neill worked hard to protect the environment. He strictly enforced the Clean Water Act, instituted reporting requirements for toxic substances used in manufacturing, and set aside large tracts of land to be used for the benefit of the general public.

Governor O'Neill was also dedicated to bringing the best public servants, regardless of background, into our State government. He nominated the individuals who would become the first woman chief justice and the first African-American justice on the Connecticut Supreme Court. And he appointed the first woman attorney general and treasurer in Connecticut history.

Bill O'Neill will be honored this week on the 15th anniversary of his retirement from public service at Central Connecticut State University, where there is a professorship in ''Public Policy and Practical Politics'' endowed in his name. The athletic center at Western Connecticut State University, where I recently had the honor of delivering remarks with former President Clinton, also bears the name of the former Governor.

It is fitting and appropriate that Bill O'Neill's name graces these fine institutions of higher learning and others throughout the State of Connecticut, and that he is being honored with this ceremony.

Bill O'Neill has served this country for over 50 years—as a fighter pilot during the Korean war, as a six-term member of the Connecticut House of Representatives, as Lieutenant Governor, and as the Governor of Connecticut for more than a decade.

At a critical time in our State's and our country's history, Connecticut was fortunate to have the leadership of this remarkable patriot. His wisdom, his vision, and his ability to accomplish concrete changes for the good of the people of our State set a standard for public service that inspired me and I know continues to inspire those of us who believe in the value public service.

Bill O'Neill is a true public servant and has been a long-time friend. I wish him, his wife Nikki, and his family my best wishes on this wonderful occasion.●

## ANNOUNCING THE BIRTH OF GRIFFIN MACK LUGAR

● Mr. LUGAR. Mr. President, Char and I want to share with all of our colleagues and friends the joyous news of the birth of Griffin Mack Lugar on October 26, 2005, at Sibley Memorial Hospital in Washington, DC. Griffin was a healthy 8 pounds at birth. His parents are our son, John Hoereth Lugar, and his wife, Kelly Smith Lugar, daughter of Robert Lee Smith and Renee Routon Smith. Griffin was born at 8:13 p.m. and within the next hour, John's brother, David Lugar, joined Char and me in the hospital room to see a very healthy newborn baby and to congratulate John and Kelly and to share their joy during unforgettable moments. On the next day, Griffin met his brother, Preston Charles Lugar, who was born at Sibley Memorial Hospital on February 20, 2004. The two boys and their parents are now safe and healthy in their Arlington, VA residence.

Kelly and John were married on November 5, 2001, in the Washington Cathedral with Dr. Lloyd Ogilvie, former Chaplain of the Senate, presiding. They and their families and guests had enjoyed a rehearsal dinner in the Mansfield Room of the Capitol on the night before the wedding. Kelly worked with many of our colleagues during her service to the administration of President George Bush and our former colleague, Secretary of Energy, Spencer Abraham, as Deputy Assistant Secretary with responsibilities for congressional relations. She now has a private consulting business. A graduate of the University of Texas, she was once a member of the staff of Congressman Ralph Hall of Texas. John Lugar came with us to Washington, along with his three brothers, 28 years ago. He graduated from Langley High School in McLean, VA; Indiana University, and received his masters of business administration degree from Arizona State University. He is currently a vice president with Jones Lang LaSalle, a commercial real estate services and investment management firm.

We know that you will understand our excitement and our gratitude that they and we have been given divine blessing and responsibility for a glorious new chapter in our lives.●

## MERCER COUNTY DRUG FREE COMMUNITY SUPPORT PROGRAM

● Mr. ROCKEFELLER. Mr. President, I rise today to recognize the Mercer County Drug Free Community Support Program. The course provides initiatives towards fighting substance abuse, developing links between the community and its leaders in helping to educate the public, and allow young citizens the opportunity to help their peers. They have received numerous awards for their work in helping the citizens of Mercer County deal with problems they may encounter daily, be it alcohol, prescription drugs, or illegal substances. The county has received a prestigious national award for its efforts, and deserves acknowledgment and praise for this accomplishment.

Recognizing the importance that this program brings to the community is important; America's Promise, the Alliance for Youth announced that Mercer County is the winner of a national award to identify the 100 Best Communities for Young People; the award shows the true extent of the value of such programs as the Mercer County drug-free program, helping communities create better lives for the people who live in areas afflicted by substance abuse, and the problems arising from drug abuse. The 100 Best Communities for Young People celebrates outstanding, innovative efforts across the country that improve the well-being of our young citizens. Mercer County truly deserved this award for its efficient and pioneering ways of dealing with social problems and substance abuse.

Mercer County has put in place community programs that help teens learn about problems arising from drug abuse, social misconduct, and other related issues. One particular project which deserves praise is the ''teen court'' in which offenders are judged by their peers. The Mercer County Teen Court was designed to provide youth with the necessary tools to demonstrate the power they have, individually and collectively, to influence others and make positive changes in their own lives and in their community. The teen court is especially effective in allowing teens the chance to see what problems have arisen from their offense, and to be given a punishment fitting to the crime handed out by their own peers.

As a Vista volunteer in 1964, I realized the importance of community work in combating poverty, helping individuals and low-income neighborhoods make positive changes for themselves and their communities. The Mercer County Drug Free Community Support Program is also part of the Creating Opportunities for Youth coalition, a group of community leaders who work hard creating a strategy to address the problematic behaviors plaguing our children and youth in the community.

The organization plays a vital role in helping young citizens avoid the dangers of substance abuse; government grants and awards have allowed the program to set up successful workshops that deal with educating youngsters and parents alike. It is, in effect, a leading community source for prevention and awareness of substance abuse. The program has worked closely with leaders and the citizens to bring together Mercer County and, as a result, it is a good, safe place to live, work, and raise children.●

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and two withdrawals which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## REPORT RELATIVE TO THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN—PM 29

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. Consistent with this provision, I have sent the enclosed notice to the Federal Register for publication, stating that the Sudan emergency is to continue in effect beyond November 3, 2005. The most recent notice continuing this emergency was published in the Federal Register on November 2, 2004 (69 FR 63915) .

The crisis between the United States and Sudan constituted by the actions and policies of the Government of Sudan that led to the declaration of a national emergency on November 3, 1997, has not been resolved. These actions and policies are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. Therefore, I have determined that it is necessary to continue the national emergency declared with respect to Sudan and maintain in force comprehensive sanctions against Sudan to respond to this threat.

GEORGE W. BUSH.

THE WHITE HOUSE, *November 1, 2005.*

## MESSAGE FROM THE HOUSE

At 10:38 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks,

announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 61. Concurrent resolution authorizing the remains of Rosa Parks to lie in honor in the rotunda of the Capitol.

## ENROLLED BILL SIGNED

At 6:44 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3765. An act to extend through March 31,2006, the authority of the Secretary of the Army to accept and expend funds contributed by non-Federal public entities and to expedite the processing of permits.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

## MEASURES REFERRED

The following bill was referred, as indicated:

S. 1803. A bill to authorize appropriations for fiscal year 2006 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Homeland Security and Governmental Affairs pursuant to section 3(b) of S. Res. 400, 94th Congress, as amended by S. Res. 445, 108th Congress, for a period not to exceed 10 days of session.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–4476. A communication from the Chairman, Federal Maritime Commission, transmitting, pursuant to law, the report of a rule entitled ''Non-Vessel-Operating Common Carrier Service Arrangement'' (FMC Docket No. 05–05) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4477. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operation Regulations; Knapps Narrows, Maryland'' (RIN1625–AA09) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4478. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Safety Zones (including 2 regulations): [CGD05–05–122], [CGD13–05–037]'' (RIN1625–AA00) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4479. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Security Zones; Port Valdez and Valdez Narrows, Valdez, AK'' (RIN1625–AA87) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4480. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations for Marine Events (including 5 regulations): [CGD05–05–105], [CGD05–05–107], [CGD13–05–009], [CGD05–05–098], [CGD05–05–104]'' (RIN1625–AA08) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4481. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operations (including 5 regulations): [CGD01–05–029], [CGD01–05–020], [CGD01–05–061], [CGD09–05–081], [CGD09–05–080]'' (RIN1625–AA09) received on October 25, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4482. A communication from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting pursuant to law, the report of a rule entitled ''Oil and Gas and Sulphur Operations in the Outer Continental Shelf (OCS)—Waiver of Fees'' (RIN1010–AD27) received on October 31, 2005; to the Committee on Energy and Natural Resources.

EC–4483. A communication from the General Counsel, Federal Energy Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Regulations Implementing Energy Policy Act of 2005; Pre-Filing Procedures for Review of LNG Terminals and Other Natural Gas Facilities'' (Docket No. RM05–31–000) received on October 31, 2005; to the Committee on Energy and Natural Resources.

EC–4484. A communication from the Under Secretary of Defense (Comptroller), transmitting, pursuant to law, a report of a violation of the Antideficiency Act by the Department of the Air Force, case number 03–03, relative to the Ogden Air Logistics Center, Hill Air Force Base, Utah; to the Committee on Appropriations.

EC–4485. A communication from the Deputy General Counsel, Government Contracting/Business Development, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''The Very Small Business Program'' (RIN3245–AF38) received on October 31, 2005; to the Committee on Small Business and Entrepreneurship.

EC–4486. A communication from the Deputy General Counsel, Office of HUBZone Empowerment Contracting, Small Business Administration, transmitting, pursuant to law, the report of a rule entitled ''HUBZone, Government Contracting, 8(a) Business Development and Small Business Size Standard Programs'' (RIN3245–AF21) received on October 31, 2005; to the Committee on Small Business and Entrepreneurship.

EC–4487. A communication from the Deputy Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits'' (29 CFR Parts 4022 and 4044) received on October 31, 2005; to the Committee on Health, Education, Labor, and Pensions.

EC–4488. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Immunology and Microbiology Devices; Classification of AFP–L3% Immunological Test Systems'' (Docket No. 2005N–0341) received on October 31, 2005; to the Committee on Health, Education, Labor, and Pensions.

EC–4489. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Cold, Cough, Allergy, Bronchodilator, and Antiasthmatic Drug Products for Over-the-Counter Human Use; Amendment of Final Monograph for Over-the-Counter Nasal Decongestant Drug Products'' ((RIN0910–AF34) (Docket No. 2004N–0289)) received on October 21, 2005; to the Committee on Health, Education, Labor, and Pensions.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. LINCOLN:

S. 1942. A bill to suspend temporarily the duty on 1-Methoxy-2-propanol in solvent; to the Committee on Finance.

By Mrs. LINCOLN:

S. 1943. A bill to extend the temporary suspension of duty on 1,5-Naphthalenedisulfonic acid, 2-[[8-[[4 -[[3-[[[2-(ethenylsulfonyl) ethyl]amino]carbonyl]phenyl]amino]-6-fluoro-1,3,5-triazin-2-yl]amino]-1-hydroxy-3, 6-disulfo-2-naphthalenyl]azo]-, tetrasodium salt; to the Committee on Finance.

By Mrs. LINCOLN:

S. 1944. A bill to extend the temporary suspension of duty on Cuprate(3-), [2-[[[3-[[4-[[2-[2-(ethenylsulfonyl)ethoxy]ethyl]amino]-6-fluoro-1 3,5-triazin-2-yl]amino]-2-(hydroxy-.kappa.O)-5-sulfophenyl]azo-.kappa.N2]phenylmethyl]azo-.kappa.N1]-4-sulfobenzoato(5-)-.kappa.O] trisodium; to the Committee on Finance.

By Mrs. LINCOLN:

S. 1945. A bill to extend the temporary suspension of duty on 2,7-Naphthalenedisulfonic acid, 5-[[4-chloro-6-[[2-[[4-fluoro-6-[[5-hydroxy-6-[(4-methoxy-2-sulfophenyl)azo]-7-sulfo-2-naphthalenyl]amino]-1,3, 5-triazin-2-yl]amino]-1-methylethyl]amino]-1,3, 5-triazin-2-yl]amino]-3-[[4-(ethenylsulfonyl)phenyl]azo]-4-hydrox'-, sodium salt; to the Committee on Finance.

By Mrs. LINCOLN:

S. 1946. A bill to extend the temporary suspension of duty on 7,7'-[1,3-propanediylbis[imino(6-fluoro-1,3,5-triazine-4, 2-diyl)imino[2-[(aminocarbonyl)amino]-4,1-phenylene]azo]]bis-, sodium salt; to the Committee on Finance.

By Mr. SUNUNU (for himself, Mr. DURBIN, Mr. VITTER, Mr. KERRY, and Mr. PRYOR):

S. 1947. A bill to amend chapter 21 of title 38, United States Code, to enhance adaptive housing assistance for disabled veterans; to the Committee on Veterans' Affairs.

By Mrs. CLINTON (for herself and Mr. SUNUNU):

S. 1948. A bill to direct the Secretary of Transportation to issue regulations to reduce the incidence of child injury and death occurring inside or outside of passenger motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LUGAR (for himself and Mr. OBAMA):

S. 1949. A bill to provide for coordination of proliferation interdiction activities and conventional arms disarmament, and for other purposes; to the Committee on Foreign Relations.

By Mr. LUGAR:

S. 1950. A bill to promote global energy security through increased cooperation between the United States and India in diversifying sources of energy, stimulating development of alternative fuels, developing and deploying technologies that promote the clean and efficient use of coal, and improving energy efficiency; to the Committee on Foreign Relations.

## ADDITIONAL COSPONSORS

S. 185

At the request of Mr. NELSON of Florida, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 185, a bill to amend title 10, United States Code, to repeal the requirement for the reduction of certain Survivor Benefit Plan annuities by the amount of dependency and indemnity compensation and to modify the effective date for paid-up coverage under the Survivor Benefit Plan.

S. 633

At the request of Mr. JOHNSON, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of S. 633, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 713

At the request of Mr. ROBERTS, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 713, a bill to amend the Internal Revenue Code of 1986 to provide for collegiate housing and infrastructure grants.

S. 757

At the request of Mr. CHAFEE, the names of the Senator from Colorado (Mr. SALAZAR), the Senator from Oregon (Mr. WYDEN), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. GRAHAM) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 757, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 859

At the request of Mr. SANTORUM, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 859, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S. 1110

At the request of Mr. ALLEN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1110, a bill to amend the Federal Hazardous Substances Act to require engine coolant and antifreeze to contain a bittering agent in order to render the coolant or antifreeze unpalatable.

S. 1112

At the request of Mr. GRASSLEY, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 1112, a bill to make permanent the enhanced educational savings provisions for qualified tuition programs enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001.

S. 1120

At the request of Mr. DURBIN, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 1120, a bill to reduce hunger in the United States by half by 2010, and for other purposes.

S. 1132

At the request of Mr. COLEMAN, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1132, a bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans provide coverage for treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor, or disease.

S. 1184

At the request of Mr. BIDEN, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. 1184, a bill to waive the passport fees for a relative of a deceased member of the Armed Forces proceeding abroad to visit the grave of such member or to attend a funeral or memorial service for such member.

S. 1285

At the request of Ms. STABENOW, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1285, a bill to designate the Federal building located at 333 Mt. Elliott Street in Detroit, Michigan, as the ''Rosa Parks Federal Building''.

S. 1286

At the request of Mr. KENNEDY, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1286, a bill to require States to report data on medicaid beneficiaries who are employed.

S. 1315

At the request of Ms. MIKULSKI, her name was added as a cosponsor of S. 1315, a bill to require a report on progress toward the Millennium Development Goals, and for other purposes.

S. 1417

At the request of Mr. CRAIG, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1417, a bill to impose tariff-rate quotas on certain casein and milk protein concentrates.

S. 1462

At the request of Mr. BROWNBACK, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 1462, a bill to promote peace and accountability in Sudan, and for other purposes.

S. 1800

At the request of Ms. SNOWE, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1800, a bill to amend the Internal Revenue Code of 1986 to extend the new markets tax credit.

S. 1915

At the request of Mr. ENSIGN, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1915, a bill to amend the Horse Protection Act to prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption, and for other purposes.

S. 1922

At the request of Mr. CONRAD, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1922, a bill to authorize appropriate action if negotiations with Japan to allow the resumption of United States beef exports are not successful, and for other purposes.

S. 1931

At the request of Mr. CONRAD, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1931, a bill to state the policy of the United States on the intercontinental ballistic missile force.

S. CON. RES. 55

At the request of Mr. CRAIG, the names of the Senator from Virginia (Mr. WARNER), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. BURR), the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. COCHRAN) and the Senator from Delaware (Mr. CARPER) were added as cosponsors of S. Con. Res. 55, a concurrent resolution expressing the sense of the Congress regarding the conditions for the United States to become a signatory to any multilateral agreement on trade resulting from the World Trade Organization's Doha Development Agenda Round.

S. RES. 273

At the request of Mr. COLEMAN, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. Res. 273, a resolution expressing the sense of the Senate that the United Nations and other international organizations shall not be allowed to exercise control over the Internet.

S. RES. 292

At the request of Mr. LAUTENBERG, the names of the Senator from Michigan (Ms. STABENOW), the Senator from Kansas (Mr. BROWNBACK) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. Res. 292, a resolution calling on the President to condemn the anti-Israel sentiments expressed by the President of Iran, Mahmoud Ahmadinejad, on October 26, 2005.

S. RES. 293

At the request of Mr. MCCAIN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. Res. 293, a resolution calling for a free and fair presidential election in the Republic of Kazakhstan.

AMENDMENT NO. 762

At the request of Mr. NELSON of Florida, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of amendment No. 762 proposed to S. 1042, an original bill to authorize appropriations for fiscal year 2006 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 1958

At the request of Mr. BAYH, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of amendment No. 1958 intended to be proposed to S. 1042, an original bill to authorize appropriations for fiscal year 2006 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SUNUNU (for himself, Mr. DURBIN, Mr. VITTER, Mr. KERRY, and Mr. PRYOR):

S. 1947. A bill to amend chapter 21 of title 38, United States Code, to enhance adaptive housing assistance for disabled veterans; to the Committee on Veterans' Affairs.

Mr. SUNUNU. Mr. President, today I introduced the ''Specially Adapted Housing Grants Act of 2005'' to help all disabled veterans move home from medical facilities. The bill upgrades eligibility criteria for housing assistance grants to better reflect the needs of today's veteran community.

Before discussing the legislation's merits, I want to acknowledge my House colleague, Representative JOHN BOOZMAN of Arkansas, who serves as Chairman of the Veterans' Affairs Subcommittee on Economic Opportunity. Congressman BOOZMAN has demonstrated real leadership on this issue through his bill, the ''Veterans Housing/Improvement Act of 2005, H.R. 3665. Section 101 of Congressman BOOZMAN's bill is almost identical to the measure that I have sponsored. The House Veterans Affairs' Committee recently approved his legislation, and the full House is expected to consider the bill in the near future. I am grateful to Congressman BOOZMAN for his considerable efforts to advance a measure that will help improve the lives of many disabled veterans, and I am happy to advance his efforts here in the Senate with this bill.

I appreciate the support of my Senate colleagues, Senators DURBIN, VITTER, KERRY and PRYOR, who have added their names as original cosponsors of the ''Specially Adapted Housing Grants Act of 2005.'' Their endorsement of this bill represents bipartisan agreement on Capitol Hill that Congress must constantly evaluate veterans programs to make certain that our Nation provides responsive support to veterans.

While representing New Hampshire in the House and Senate, I have worked to ensure that those who served in our armed services receive their hard-earned benefits quickly and in full. Too often, out-of-date and burdensome regulations deny qualified veterans from receiving the benefits to which they are entitled. Whenever possible, it is imperative that we remove red tape that does not take into account the realities faced by today's veterans.

Guided by these facts, I have introduced legislation to reform rules that determine requirements for a Department of Veterans Affairs (VA) grant program that helps many disabled veterans make their homes suitable for occupancy. Currently, a disabled veteran must at least partly own his or her residence to receive VA housing assistance grants to perform necessary residence modifications, such as installing wheelchair ramps or railings. However, many younger veterans returning from Iraq and Afghanistan have not yet had the opportunity to become homeowners. Being ineligible for VA help to modify their homes, these veterans and their families often are compelled to either shoulder the costs of retrofitting their residences or face extended stays in VA medical facilities.

My bill would establish a 5-year pilot program to allow severely disabled veterans who live temporarily with family to receive up to $10,000 in adaptive housing assistance; less severely disabled veterans could receive a maximum of $2,000. This grant money will help ensure that all disabled veterans—regardless of whether they own property—are able to leave hospitals and return home as quickly as possible.

Also, mindful that these individuals will likely purchase their own residence, the bill would allow disabled veterans to receive two additional Specially Adaptive Housing Grants to be used for homes that they own in the future. Severely disabled veterans could receive a total of $50,000 to modify residences; less severely disabled veterans would be eligible for a total of $10,000. Only one of the three total grants could be used for a temporary residence, such as a family-owned home.

America's veterans have made enormous sacrifices to protect our Nation and the ideals for which it stands. Our country owes a special obligation to those men and women who have become disabled as a result of their service. Under no circumstances should these American heroes be divided into groups of ''haves'' and ''have nots.''

This Nation can do no less than to ensure that all disabled veterans are returned to the normalcy of home life as quickly and comfortably as possible. The common sense changes put forth in the legislation I have introduced aim to do just that, and I look forward to working with my colleagues in the House and Senate to ensure that its provisions become law as soon as possible.

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By Mrs. CLINTON (for herself and Mr. SUNUNU):

S. 1948. A bill to direct the Secretary of Transportation to issue regulations to reduce the incidence of child injury and death occurring inside or outside of passenger motor vehicles, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mrs. CLINTON. Mr. President, today I am introducing The Cameron Gulbransen Kids and Cars Safety Act of 2005 with my colleague Senator SUNUNU, a bill to improve the child safety features in new vehicles. This bill is named after a 2 year old Long Island boy who was killed when his father accidentally backed over him. Although this effort is too late to save little Cameron, it is named in his honor and aimed at preventing other families from suffering the same fate.

I also want to thank my friend and colleague, Congressman PETER KING for championing this issue in the House of Representatives.

While we hear a great deal about automobile accidents, we don't hear nearly as much about non-traffic automobile accidents, which can be just as tragic.

Since 1999, close to 975 children have died in non-traffic, non-crash incidents. This translates into a death almost every other day. The average age of victims in these cases is just 1 year old. And in 70 percent of backover cases, a parent, relative or close friend is behind the wheel.

As of October 15th of this year, there have been 317 non-traffic incidents resulting in ER treatment—tragically, 188 resulted in fatalities. New York State alone has suffered over 60 non-traffic incidents, 15 of them fatalities. These tragedies are heart-wrenching, not only due to the unimaginable suffering these families endure, but also because they are preventable.

The Cameron Gulbransen Kids and Cars Safety Act makes all passenger motor vehicles safer in three important ways. First, it requires a detection system to alert drivers to the presence of a child behind the vehicle. This system will prevent backing up incidents involving death and injury, especially to small children and the disabled. Second, it will ensure that power windows automatically reverse direction when they detect an obstruction—preventing children from being trapped, injured or killed when playing with power car windows. And finally, the bill will require the vehicle service break to be

engaged in order to prevent vehicles from unintentionally rolling away.

Just as important, this bill will help parents by making them more aware of the dangers their vehicles pose to kids. Our legislation establishes a child safety information program to collect non-traffic, non-crash incident data and to disseminate vital information to parents about ways to mitigate the dangers cars pose.

This bill proves that with modest, cost-effective steps, we can prevent many tragic car-related accidents from occurring. The technology exists that can save children's lives at relatively low cost and new innovations are being developed all the time. Power window sensors, for example, cost only $8–12 a window. Brakeshift interlocks are already standard in most passenger vehicles, but where they aren't, they cost only $5 a car. Backover warning systems cost approximately $300 a car, but they are still far cheaper than the DVD systems that can run up to $2000 and stereo systems that go for up to $800—costs that are commonly absorbed into the cost of new cars. There is no reason that we are not using these new technologies to save lives.

This kind of modest regulatory response to a safety problem has many precedents. Back in 1956, in response to a slew of tragic child suffocations, Congress passed the Refrigerator Safety Act to ensure that refrigerators could be opened from the inside and no child could again be trapped inside. When 156 kids died from airbags, the Federal Government regulated a design change. The government even changed the design of garage doors after 56 children were killed by them.

This is a comparable situation—this inexpensive technology could save thousands of children's lives.

So, I am proud to be introducing the Cameron Gulbransen Kids and Cars Safety Act of 2005 today and I urge all my colleagues to join me in supporting this bill. Together, we can make cars and kids safer in this great country.

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By Mr. LUGAR (for himself and Mr. OBAMA):

S. 1949. A bill to provide for coordination of proliferation interdiction activities and conventional arms disarmament, and for other purposes; to the Committee on Foreign Relations.

Mr. LUGAR. Mr. President, today I rise on behalf of myself and Senator OBAMA to introduce the Cooperative Proliferation Detection, Interdiction Assistance, and Conventional Threat Reduction Act of 2005.

This legislation aims to support the priority the Administration has placed on the detection and interdiction of weapons of mass destruction, their means of delivery and related materials, as well as dual-use items of proliferation concern. The legislation also contains important conventional weapons threat reduction measures that have previously been approved by the Foreign Relations Committee.

I ask unanimous consent that the text of the remarks Senator OBAMA and I made this morning at the Council on Foreign Relations regarding this legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR OBAMA ON THE INTRODUCTION OF THE COOPERATIVE PROLIFERATION DETECTION, INTERDICTION, ASSISTANCE, AND CONVENTIONAL THREAT REDUCTION ACT

Mr. President, I rise today to join Senator Lugar in introducing the Cooperative Proliferation Detection, Interdiction Assistance, and Conventional Threat Reduction Act.

Earlier today, Senator Lugar and I appeared at the Council on Foreign Relations to discuss our recent trip to Russia, Ukraine, and Azerbaijan and talk about this new piece of legislation.

Now, few people understand these challenges better than the co-founder of the Cooperative Threat Reduction Program, Senator Lugar, and this is something that became particularly clear to me during one incident on the trip.

We were in Ukraine, visiting a pathogen laboratory in Kiev. This is a city of two and a half million, and in a non-descript building right in the middle of town stood this facility that once operated on the fringes of the Soviet biological weapons program.

We entered through no fences or discernible security, and once we did, we found ourselves in a building with open first-floor windows and padlocks that many of us would not use to secure our own luggage.

Our guide then brought us right up to what looked like a mini-refrigerator. Inside, staring right at us, were rows upon rows of test tubes. She picked them up, clanked them around, and we listened to the translator explain what she was saying. Some of the tubes, he said, were filled with anthrax. Others, the plague.

At this point I turned around and said ''Hey, where's Lugar? Doesn't he want to see this?'' I found him standing about fifteen feet away, all the way in the back of the room. He looked at me and said, ''Been there, done that.''

Of course, Senator Lugar has been there and he has done that, and thanks to the Cooperative Threat Reduction Programs he co-founded with Senator Sam Nunn, we've made amazing progress in finding, securing, and guarding some of the deadliest weapons that were left scattered throughout the former Soviet Union after the Cold War.

As we discussed with the Council on Foreign Relations, this is one story that shows our job is far from finished at a time when demand for these weapons has never been greater.

Right now, rogue states and despotic regimes are looking to begin or accelerate their own nuclear programs. And as we speak, members of Al Qaeda and other terrorists organizations are aggressively pursuing weapons of mass destruction, which they would use without hesitation.

We've heard the horror stories—attempts by rogue states to recruit former Soviet weapons scientists; terrorists shopping for weapons grade materials on the black market. Some weapons experts believe that terrorists are likely to find enough fissile material to build a bomb in the next ten years—and we can imagine with horror what the world will be like if they succeed.

Today, experts tell us that we're in a race against time to prevent this scenario from unfolding. And that is why the nuclear, chemical, and biological weapons within the borders of the former Soviet Union represent the greatest threat to the security of the United States—a threat we need to think seriously and intelligently about in the months to come.

Fortunately, the success of Cooperative Threat Reduction—especially in securing nuclear weapons—serves as a model of how we can do this. And so the question we need to be asking ourselves today is, what is the future of this program? With the situation in Russia and the rest of the former Soviet Union so drastically different than it was in 1991, or even in 1996 or 2001, what must we do to effectively confront this threat in the days and years to come?

The answers to these questions will require sustained involvement by the Executive Branch, Congress, non-governmental organizations, and the international community. Everyone has a role to play, and everyone must accelerate this involvement.

For my part, I would suggest three important elements that should be included in such a discussion.

First, the Nunn-Lugar program should be more engaged in containing proliferation threats from Soviet-supplied, civilian research reactors throughout Russia and the Independent States.

The Department of Energy and others have certainly made progress in converting civilian reactors to low-enriched uranium, taking back spent fuel, and closing unnecessary facilities.

Yet, a serious threat still remains. Many of these aging research facilities have the largest, least secure quantities of highly enriched uranium in the world—the quickest way to a nuclear weapon. For a scientist or other employee to simply walk out of the lab with enough material to construct a weapon of mass destruction is far too easy, and the consequences would be far too devastating. Not to mention the environmental and public health and safety catastrophe that could come from a failure to store and transport these materials safely and securely.

In a way that balances the needs of science and security, more needs to be done to bring these materials—as well as other sources that can be used to construct improvised nuclear weapons and radiological devices—under control and dramatically reduce the proliferation threat they pose.

In the years ahead, this should become an increasing priority for the Nunn-Lugar program, the Congress, and the Russians, who are already taking important steps to help implement these programs.

I want to turn to a second critical area: biological weapons threat reduction programs.

Throughout the Cold War, the Soviet Union was engaged in a massive undertaking in the field of germ warfare.

At its height in the late 1980' s, this program stockpiled of some of the most dangerous agents known to man—plague, smallpox, and anthrax—to name just a few. As one book says, ''disease by the ton was its industry.''

Besides the devastation they can cause to a civilian population, biological agents can also be effective in asymmetrical warfare against U.S. troops. While they are often difficult to use, they are easy to transport, hard to detect, and, as we saw in Kiev, not always well secured.

Here in Washington, we saw what happened when just two letters filled with just a few grams of Anthrax were sent to the U.S. Senate. Five postal employees were killed and the Senate office buildings were closed for months.

This was two letters.

Fortunately, however, we've made some good progress on this front. For years, Nunn-Lugar programs have been effectively upgrading security at sites in six countries

across the former Soviet Union. And the Kiev story is heading in the right direction—while we were in Ukraine, Senator Lugar, through his tireless and personal intervention, was able to achieve a breakthrough with that government, bringing that facility and others under the Cooperative Threat Reduction program.

But because of the size, secrecy, and scope of the Soviet biological weapons program, we are still dangerously behind in dealing with this proliferation threat. We need to be sure that Nunn-Lugar is increasingly focused on these very real nonproliferation and bioterrorism threats.

One of the most important steps is for Russia to permit the access and transparency necessary to deal with the threat.

Additional steps should also be taken to consolidate and secure dangerous pathogen collections, strengthen bio-reconnaissance networks to provide early warning of bio-attack and natural disease outbreaks, and have our experts work together to develop improved medical countermeasures. As the Avian Influenza outbreak demonstrates, even the zealous Russian border guard is helpless against the global sweep of biological threats.

My third recommendation—which I'll just touch briefly on and let Senator Lugar talk about in more detail—is that we need to start thinking creatively about some of the next-generation efforts on nuclear, biological, and chemical weapons.

On our trip, we saw two areas where this is possible: elimination of heavy conventional weapons, and interdiction efforts to help stop the flow of dangerous materials across borders.

In Donetsk, I stood among piles of conventional weapons that were slowly being dismantled. While the government of Ukraine is making progress here, the limited funding they have means that at the current pace, it will take sixty years to dismantle these weapons. But we've all seen how it could take far less time for these weapons to leak out and travel around the world, fueling insurgencies and violent conflicts from Africa to Afghanistan. By destroying these inventories, this is one place we could be making more of a difference.

One final point. For any of these efforts that I've mentioned to work as we move forward, we must also think critically and strategically about Washington's relationship with Moscow.

Right now, there are forces within the former Soviet Union and elsewhere that want these non-proliferation programs to stop. Our detention for three hours in Perm is a testament to these forces. Additionally, in the last few years, we've seen some disturbing trends from Russia itself—the deterioration of democracy and the rule of law, the abuses that have taken place in Chechnya, Russian meddling in the former Soviet Union—that raise serious questions about our relationship.

But when we think about the threat that these weapons pose to our global security, we cannot allow the U.S.-Russian relationship to deteriorate to the point where Russia does not think it's in their best interest to help us finish the job we started. We must safeguard these dangerous weapons, material, and expertise.

One way we could strengthen this relationship is by thinking about the Russians as more of a partner and less of a subordinate in the Cooperative Threat Reduction effort.

This does not mean that we should ease up one bit on issues affecting our national security. Outstanding career officials who run the Nunn-Lugar program—people like Col. Jim Reid and Andy Weber who were with us at the Council this morning—will be there every step of the way to ensure that U.S. interests are protected.

Time and time again on the trip, I saw their skill and experience when negotiating with the Russians. I also saw their ability to ensure that shortcomings were addressed and programs were implemented correctly.

But thinking of the Russians more as partners does mean being more thoughtful, respectful, and consistent about what we say and what we do. It means that the Russians can and should do more to support these programs. And it means more sustained engagement, including more senior-level visits to Nunn-Lugar program sites.

It's important for senior officials to go and visit these sites, to check their progress and shortcomings; to see what's working and what's not. But lately we haven't seen many of these visits. We need to see more.

We also need to ensure that the Cooperative Threat Reduction umbrella agreement, due to expire in 2006, is renewed in a timely manner.

And we need to work together to obtain a bilateral agreement on biological threat reduction.

The Russians, however, must also realize that with greater partnership comes greater responsibility.

There is no doubt that there is a tough road ahead. It will be difficult. And it will be dangerous.

But, when I think about what is at stake I am reminded by a quote from the late President Kennedy given in a speech at American University in 1963 about threats posed by the Soviet Union.

''Let us not be blind to our differences—but let us also direct attention to our common interests and to the means by which those differences can be resolved . . . For in the final analysis, our most basic common link is that we all inhabit this small planet. We all breathe the same air. We all cherish our children's future. And we are all mortal.''

Much of what President Kennedy described in 1963 remains true to this day—and we owe it to ourselves and our children to get it right.

I look forward to working with Senator Lugar on this legislation and, more broadly, on this issue for years to come.

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COUNCIL ON FOREIGN RELATIONS, ''NEW DIRECTIONS FOR COOPERATIVE THREAT REDUCTION,'' SENATOR RICHARD G. LUGAR, NOVEMBER 1, 2005

It is a pleasure to appear before the Council on Foreign Relations with my good friend Senator Barack Obama. As you have heard, we had an extremely successful trip in August. I appreciate his strong support for the Nunn-Lugar Program. In his first year in the Senate, he has committed himself to improving the U.S. response to the threat posed by weapons of mass destruction. We discussed existing programs and new opportunities extensively during our trip, and we are eager to share with you the first public mention of the joint legislative initiative that developed from our findings.

I was particularly pleased that Barack chose Nunn-Lugar as the subject of his first foreign travel as a Senator. This choice was not an accident or the result of a last-minute whim. During his Senate campaign, well over a year ago, he identified the threat posed by unsecured weapons of mass destruction as the greatest national security threat facing the United States. On the Foreign Relations Committee, he has followed these issues intensely, and he has been a steadfast voice of support for non-proliferation efforts.

Our trip in August was spent hiking through nuclear weapons storage sites, picking through piles of mortar rounds and landmines, touring missile elimination facilities, examining laboratories containing deadly pathogens, and—for three hours—being detained in the visitors lounge at a remote Russian airfield, near Perm.

Barack, I want to make sure you understand that your future congressional travels are unlikely to include so many glamorous tourist hotspots.

It's safe to assume that none of the reporters who have joined us today are from Frommer's or Lonely Planet.

I have had the opportunity to visit the former Soviet Union to tour Nunn- Lugar sites and facilities once or twice a year for the last 14 years. As Barack witnessed, these trips serve a greater purpose than our personal edification. They are designed to invigorate and endorse the work of a program that both of us see as vital to our national security. On many previous trips, weapons facilities were opened to Americans for the first time, including such notable facilities as the SevMash submarine base, birthplace of the Typhoon nuclear missile submarine. Political support for Nunn-Lugar activities can never be taken for granted. Not everyone in the former Soviet Union, and indeed, not everyone in our own country believes that these programs should be a priority. The Nunn-Lugar program and associated non-proliferation efforts have required constant stewardship and support from the Congress. In this context, I am enthused and encouraged by Senator Obama's commitment to adding his strong voice and creativity to the proliferation challenge.

Since its founding, Sam Nunn and I always have regarded Nunn-Lugar as more than a government program. We have seen it as a disarmament concept and non-proliferation tool worthy of adaptation and expansion. The Nunn-Lugar program and people like Jim Reid and Andy Weber, who manage its day to day operations, represent a tremendous national security asset that can be applied to situations well beyond the scope of the original Nunn-Lugar legislation. Indeed, the program's aims have been expanded from the focus on safeguarding and destroying strategic nuclear weapons to a much broader array of goals involving safely disposing of all types of nuclear, chemical, and biological weapons and materials, as well as employing former weapons scientists. In 2003, I offered the Nunn-Lugar Expansion Act, which was signed into law by President Bush. It allowed, for the first time, Nunn-Lugar funds to be used anywhere in the world, not just within the boundaries of the former Soviet Union. As I have advocated frequently, U.S. officials should be prepared to extend the Nunn-Lugar concept whenever opportunities present themselves. Some potential applications for the program North Korea, for example—seem remote today. But the same could have been said for the Soviet Union in the 1980s.

In this spirit, Senator Obama and I are introducing legislation, today, that will again extend the Nunn-Lugar concept to new areas of endeavor. Our bill is entitled the ''Cooperative Proliferation Detection, and Interdiction Assistance and Conventional Threat Reduction Act.''

As Barack described, our trip included an examination of conventional weapons stockpiles near Donetsk, Ukraine. We also visited Baku, Azerbaijan, where we observed the mock interdiction of a naval vessel playing the role of nuclear smuggler.

These visits and our subsequent joint research have convinced us that the United States can and should do more to eliminate conventional weapons stockpiles and assist other nations in detecting and interdicting weapons of mass destruction. We believe that

these functions are underfunded, fragmented, and in need of high-level support.

The U.S. government's current response to threats from vulnerable conventional weapons stockpiles is dispersed between several programs at the Department of State. We believe that the planning, coordination, and implementation of this function should be consolidated into one office at the State Department with a budget that is commensurate with the threat posed by these weapons.

We are particularly concerned that our government has the capacity to deal quickly with vulnerable stockpiles of shoulder-fired anti-aircraft missiles, known as MANPADS. In recent years, concerns have grown that such weapons could be used by terrorists to attack commercial airliners, military installations, and government facilities here at home and abroad. Al Qaeda reportedly has attempted to acquire MANPADS on a number of occasions.

The Lugar-Obama bill recognizes that the proliferation of conventional weapons is a major obstacle to peace, reconstruction, and economic development in regions suffering from conflict and instability. It calls upon the State Department to implement a global effort to seek out and destroy surplus and unguarded stocks of conventional armaments and to cooperate with allies and international organizations when possible.

In Ukraine, we saw stacks of thousands of mortars, anti-personnel landmines, and other weapons, left over from the Soviet era. The scene there is similar to situations in other states of the former Soviet Union, Africa, Latin America, and Asia. I have also witnessed these threats firsthand in Albania and Georgia, where those governments have requested assistance in eliminating MANPADS, tactical missile systems, and millions of tons of ammunition and weapons.

In many cases, the security around these weapons is minimal—particularly when the weapons are no longer being used by a nation's military. But as we have seen in Iraq, even obsolete weaponry and explosives can be reconfigured with deadly results. If foreign governments know that the United States is poised to help them eliminate such weapons, they will be more likely to come forward with requests for help, as Albania and Georgia did.

Inevitably, some countries will decline our assistance, and their stockpiles will remain unsecured. But this is not a reason to fail to secure the stockpiles that are opened to us. Every stockpile represents a theft opportunity for terrorists and a temptation for security personnel who might seek to profit by selling weapons on the black market. The more stockpiles that can be safeguarded or eliminated, the safer we will be. We do not want the question posed the day after an attack on an American military base, embassy compound, or commercial plane why we didn't take these threats seriously.

Two years ago the Department of Energy combined several nonproliferation programs into the Global Threat Reduction Initiative (GTRI) charged with identifying, securing, and disposing of vulnerable nuclear materials and equipment around the world. We used GTRI as a blueprint for the organizational and programmatic structure needed in the conventional arms elimination arena. By merging activities in a single office at the State Department and making it the lead Federal agency in efforts to eliminate nonstrategic missile systems, MANPADS, and all small arms, we will raise the profile and value of this important work.

The second part of the Lugar-Obama legislation is focused on U.S. efforts to assist allies in detecting and interdicting weapons of mass destruction. The Nunn-Lugar Program is our country's first line of defense against the threat posed by weapons and materials of mass destruction. It attempts to secure weapons of mass destruction at their source. The Department of Homeland Security is our last line of defense, focused on detecting these threats inside U.S. borders and responding to attacks, if they occur. Our bill would bolster the second line of defense, namely, our ability to stop weapons of mass destruction that have been taken from the source, but have not yet reached the United States.

To strengthen the second line of defense, we believe that we must improve the capabilities of other nations. The United States military and intelligence services cannot be everywhere. We need the cooperation and vigilance of like-minded nations to detect and interdict WMD threats. The United States has constructed the Proliferation Security Initiative, which enlisted the participation of other nations in the interdiction of WMD. PSI is an excellent step forward in our communications with foreign governments on WMD interdiction. But what is lacking is a coordinated effort to improve the capabilities of our foreign partners so that they can playa larger detection and interdiction role.

The Lugar-Obama bill creates a single office dedicated to supporting the detection and interdiction of WMD. The State Department engages in several related anti-terrorism and export control assistance programs to foreign countries. But these programs are focused on other stages of the threat, not on the detection and interdiction of WMD cargo. Thus, we believe there is a gap in our defenses that needs to be filled.

The Lugar-Obama bill earmarks 25 percent of the Nonproliferation, Anti-terrorism, Demining, and Related Programs account to address the shortcomings in the State Department's response. This would have amounted to $110 million this year. Our bill goes one step further by calling on the State Department to also commit 25 percent of annual foreign military financing amounts to nations for the purchase of equipment to improve their ability to detect and interdict WMD. This would represent a potent but flexible tool that could help build a network of WMD detection and interdiction capabilities world wide.

Senator Obama and I give the State Department the flexibility to determine how these funds should be used. This is because a ''one-size-fits-all'' approach does not work with FMF funds. Some recipients of U.S. security assistance, such as Israel, already are capable of detecting and interdicting WMD. Other potential recipients are unable to utilize effectively such detection and interdiction assistance because they lack the basic military structures to employ it. We require the Administration to outline for Congress the rationale behind the decision not to invoke the 25 percent requirement clause. Through this reporting requirement, we are seeking to ensure that Congress remains an active participant in important decisions on foreign military financing.

I am confident that the ongoing reorganization of the arms control and non-proliferation bureaus, under the direction of Under Secretary Bob Joseph, provides us with an excellent opportunity to reshape, refocus and reinvigorate the State Department's non-proliferation mission. The Lugar-Obama legislation is intended to assist in the transformation of the Department's efforts.

The U.S. response to conventional weapons threats and the lack of focus on WMD detection and interdiction assistance must be rectified if we are to provide a full and complete defense for the American people. We look forward to working closely with the Administration on these proposals and will benefit from their recommendations on ways to perfect our legislation. The Lugar-Obama bill is a critical step forward in improving our ability to protect the United States and its citizens.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 2347. Mr. GREGG (for Mr. FRIST (for himself and Mr. GREGG)) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95).

SA 2348. Mr. SCHUMER (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1932, supra; which was ordered to lie on the table.

SA 2349. Mr. SCHUMER (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1932, supra; which was ordered to lie on the table.

SA 2350. Mrs. MURRAY (for herself and Mr. DEWINE) submitted an amendment intended to be proposed by her to the bill S. 1932, supra; which was ordered to lie on the table.

SA 2351. Mr. CONRAD (for himself, Mr. NELSON, of Florida, Mr. FEINGOLD, Mr. OBAMA, Mrs. FEINSTEIN, Mr. SALAZAR, and Mr. HARKIN) proposed an amendment to the bill S. 1932, supra.

SA 2352. Mr. ENZI (for himself, Mr. KENNEDY, Mr. ALEXANDER, Mr. DODD, Ms. LANDRIEU, Mr. COCHRAN, Mr. LOTT, and Mrs. HUTCHISON) proposed an amendment to the bill S. 1932, supra.

SA 2353. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill S. 1932, supra; which was ordered to lie on the table.

SA 2354. Mr. NELSON, of Florida (for himself, Ms. STABENOW, Mr. HARKIN, Mrs. CLINTON, Ms. MIKULSKI, Mrs. MURRAY, Mr. KOHL, and Mr. DORGAN) submitted an amendment intended to be proposed by him to the bill S. 1932, supra; which was ordered to lie on the table.

SA 2355. Mr. INHOFE (for himself and Mr. CHAMBLISS) submitted an amendment intended to be proposed by him to the bill S. 1932, supra.

SA 2356. Mrs. LINCOLN (for herself, Ms. LANDRIEU, Mr. BAUCUS, Mr. PRYOR, and Mr. KENNEDY) proposed an amendment to the bill S. 1932, supra.

SA 2357. Mr. NELSON, of Florida (for himself, Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mr. REID, and Mr. KENNEDY) proposed an amendment to the bill S. 1932, supra.

## TEXT OF AMENDMENTS

**SA 2347.** Mr. GREGG (for Mr. FRIST (for himself and Mr. GREGG)) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows;

At the appropriate place, insert the following:

**SEC. ____. ASSISTANCE TO COMBAT INFLUENZA AND NEWLY EMERGING PANDEMICS.**

(a) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated in title VII, there are appropriated $2,780,000,000 to enable the Secretary of Health and Human Services to carry out the activities described in subsection (c).

(b) ADDITIONAL AMOUNTS.—Out of any money in the Treasury of the United States not otherwise appropriated in title III, there are appropriated $1,174,000,000 to enable the

Secretary of Health and Human Services to carry out the activities described in subsection (c).

(c) ACTIVITIES.—From amounts appropriated under subsections (a) and (b), the Secretary of Health and Human Services shall utilize—

(1) $577,000,000 to intensify surveillance of influenza and other newly emerging pandemics and outbreaks;

(2) $2,800,000,000 for the development and stockpiling of antivirals and vaccines for influenza and other newly emerging pandemics; and

(3) $577,000,000 to establish a seamless network of Federal, State, and local authorities for preparedness relating to influenza and other newly emerging pandemics.

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**SA 2348.** Mr. SCHUMER (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); which was ordered to lie on the table; as follows;

On page 125, strike lines 3 through 14.

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**SA 2349.** Mr. SCHUMER (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); which was ordered to lie on the table; as follows;

On page 125, strike lines 3 through 14 and insert the following:

(b) EXTENSION OF REBATES TO MEDICAID MANAGED CARE ORGANIZATIONS.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended—

(A) in clause (xi), by striking ''and'' at the end;

(B) in clause (xii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(xiii) such contract provides that payment for covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the entity shall be subject to the same rebate agreement entered into under section 1927 as the State is subject to.''.

(2) CONFORMING AMENDMENT.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)91)) is amended by inserting ''other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1903(m) that meets the requirements of paragraph (2)(A)(xiii) of that section'' before the period.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

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**SA 2350.** Mrs. MURRAY (for herself and Mr. DEWINE) submitted an amendment intended to be proposed to that bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); which was ordered to lie on the table; as follows;

On page 647, between lines 11 and 12, insert the following:

(3) in subsection (d)—

(A) in paragraph (2), by striking ''is an orphan or ward of the court'' and inserting ''is an orphan, in foster care, or ward of the court or was in foster care'';

(B) in paragraph (6), by striking ''or'' after the semicolon;

(C) by redesignating paragraph (7) as paragraph (8); and

(D) by inserting after paragraph (6) the following:

''(7) has been verified as both a homeless child or youth and an unaccompanied youth, as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a), during the school year in which the application for financial assistance is submitted, by—

''(A) a local educational agency liaison for homeless children and youths, as designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii));

''(B) a director of a homeless shelter, transitional shelter, or independent living program; or

''(C) a financial aid administrator; or''.

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**SA 2351.** Mr. CONRAD (for himself, Mr. NELSON of Florida, Mr. FEINGOLD, Mr. OBAMA, Mrs. FEINSTEIN, Mr. SALAZAR, and Mr. HARKIN) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows;

At the end of title VI, insert the following:

**SEC. ___. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.**

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any 1 of the 3 applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term ''applicable time period'' means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term ''direct-spending legislation'' means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms ''direct-spending legislation'' and ''revenue legislation'' do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of ⅗ of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2010.

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**SA 2352.** Mr. ENZI (for himself, Mr. KENNEDY, Mr. ALEXANDER, Mr. DODD, Ms. LANDRIEU, Mr. COCHRAN, Mr. LOTT, and Mrs. HUTCHISON) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows;

At the end of title VII, insert the following:

**Subtitle D—Hurricane Relief**

**SEC. 7951. FINDINGS.**

Congress finds the following:

(1) Hurricane Katrina has had a devastating and unprecedented impact on students who attended schools in the disaster areas.

(2) Due to the devastating effects of Hurricane Katrina, a significant number of students have enrolled in schools outside of the area in which they resided on August 22, 2005, including a significant number of students who enrolled in non-public schools because their parents chose to enroll them in such schools.

(3) 372,000 students were displaced by Hurricane Katrina. Approximately 700 schools have been damaged or destroyed. Nine States each have more than 1,000 of such displaced students enrolled in their schools. In Texas alone, over 45,000 displaced students have enrolled in schools.

(4) In response to these extraordinary conditions, this subtitle creates a one-time only emergency grant for the 2005–2006 school year tailored to the needs and particular circumstances of students displaced by Hurricane Katrina.

**SEC. 7952. IMMEDIATE AID TO RESTART SCHOOL OPERATIONS.**

(a) PURPOSE.—It is the purpose of this section—

(1) to provide immediate and direct assistance to local educational agencies in Louisiana, Mississippi, and Alabama that serve an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina;

(2) to assist school district administrators and personnel of such agencies who are working to restart operations in elementary schools and secondary schools served by such agencies; and

(3) to facilitate the re-opening of elementary schools and secondary schools served by such agencies and the re-enrollment of students in such schools as soon as possible.

(b) PAYMENTS AND GRANTS AUTHORIZED.—From amounts appropriated to carry out this subtitle, the Secretary of Education is authorized to make payments, not later than November 30, 2005, to State educational agencies (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801 et seq.)) in Louisiana, Mississippi, and Alabama to enable such agencies to award grants to local educational agencies serving an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(c) ELIGIBILITY AND CONSIDERATION.—In determining whether to award a grant under this section, or the amount of the grant, the State educational agency shall consider the following:

(1) The number of school-aged children served by the local educational agency in the academic year preceding the academic year for which the grant is awarded.

(2) The severity of the impact of Hurricane Katrina on the local educational agency and the extent of the needs in each local educational agency in Louisiana, Mississippi, and Alabama that is in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(d) APPLICATIONS.—Each local educational agency desiring a grant under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require to ensure expedited and timely payment to the local educational agency.

(e) USES OF FUNDS.—

(1) IN GENERAL.—A local educational agency receiving a grant under this section shall use the grant funds for—

(A) recovery of student and personnel data, and other electronic information;

(B) replacement of school district information systems, including hardware and software;

(C) financial operations;

(D) reasonable transportation costs;

(E) rental of mobile educational units and leasing of neutral sites or spaces;

(F) initial replacement of instructional materials and equipment, including textbooks;

(G) redeveloping instructional plans, including curriculum development;

(H) initiating and maintaining education and support services; and

(I) such other activities related to the purpose of this section that are approved by the Secretary.

(2) USE WITH OTHER AVAILABLE FUNDS.—A local educational agency receiving a grant under this section may use the grant funds in coordination with other Federal, State, or local funds available for the activities described in paragraph (1).

(3) PROHIBITIONS.—Grant funds received under this section shall not be used for any of the following:

(A) Construction or major renovation of schools.

(B) Payments to school administrators or teachers who are not actively engaged in restarting or re-opening schools.

(f) SUPPLEMENT NOT SUPPLANT.—

(1) IN GENERAL.—Except as provided in paragraph (2), funds made available under this section shall be used to supplement, not supplant, any funds made available through the Federal Emergency Management Agency or through a State.

(2) EXCEPTION.—Paragraph (1) shall not prohibit the provision of Federal assistance under this section to an eligible educational agency that is or may be entitled to receive, from another source, benefits for the same purposes as under this section if—

(A) such agency has not received such other benefits by the time of application for Federal assistance under this section; and

(B) such agency agrees to repay all duplicative Federal assistance received to carry out the purposes of this section.

**SEC. 7953. HOLD HARMLESS FOR LOCAL EDUCATIONAL AGENCIES SERVING MAJOR DISASTER AREAS.**

In the case of a local educational agency that serves an area in which the President has declared that a major disaster exists in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina, the amount made available for such local educational agency under each of sections 1124, 1124A, 1125, and 1125A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333, 6334, 6335, and 6337) for fiscal year 2006 shall be not less than the amount made available for such local educational agency under each of such sections for fiscal year 2005.

**SEC. 7954. TEACHER AND PARAPROFESSIONAL RECIPROCITY; DELAY.**

(a) TEACHER AND PARAPROFESSIONAL RECIPROCITY.—

(1) TEACHERS.—

(A) AFFECTED TEACHER.—In this subsection, the term ''affected teacher'' means a teacher who is displaced due to Hurricane Katrina and relocates to a State that is different from the State in which such teacher resided on August 22, 2005.

(B) IN GENERAL.—A local educational agency may consider an affected teacher hired by such agency who is not highly qualified in the State in which such agency is located to be highly qualified, for purposes of section 1119 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) and section 612(a)(14) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)), for a period not to exceed 1 year, if such teacher was highly qualified, consistent with section 9101(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(23)) and section 602(10) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(10)), on or before August 22, 2005, in the State in which such teacher resided on August 22, 2005.

(2) PARAPROFESSIONAL.—

(A) AFFECTED PARAPROFESSIONAL.—In this subsection, the term ''affected paraprofessional'' means a paraprofessional who is displaced due to Hurricane Katrina and relocates to a State that is different from the State in which such paraprofessional resided on August 22, 2005.

(B) IN GENERAL.—A local educational agency may consider an affected paraprofessional hired by such agency who does not satisfy the requirements of section 1119(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(c)) in the State in which such agency is located to satisfy such requirements, for purposes of such section, for a period not to exceed 1 year, if such paraprofessional satisfied such requirements on or before August 22, 2005, in the State in which such paraprofessional resided on August 22, 2005.

(b) DELAY.—The Secretary of Education may delay, for a period not to exceed 1 year, applicability of the requirements of paragraphs (2) and (3) of section 1119(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(a)(2) and (3)) and section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)) with respect to the States of Alabama, Louisiana, and Mississippi (and local educational agencies within the jurisdiction of such States), if any such State or local educational agency demonstrates that a failure to comply with such requirements is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of local educational agencies within the State.

**SEC. 7955. ASSISTANCE FOR HOMELESS YOUTH.**

(a) IN GENERAL.—The Secretary of Education shall provide assistance to local educational agencies serving homeless children and youths displaced by Hurricane Katrina, consistent with section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433), including identification, enrollment assistance, assessment and school placement assistance, transportation, coordination of school services, supplies, referrals for health, mental health, and other needs.

(b) EXCEPTION AND DISTRIBUTION OF FUNDS.—

(1) EXCEPTION.—For purposes of providing assistance under subsection (a), subsections (c) and (e)(1) of section 722 and subsections (b) and (c) of section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(c) and (e)(1), 11433(b) and (c)) shall not apply.

(2) DISBURSEMENT.—The Secretary of Education shall disburse funding provided under subsection (a) to State educational agencies based on demonstrated need, as determined by the Secretary, and such State educational agencies shall distribute funds, that are appropriated under section 7958 and available to carry out this section, to local educational agencies based on demonstrated need, for the purposes of carrying out section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433).

**SEC. 7956. TEMPORARY EMERGENCY IMPACT AID FOR DISPLACED STUDENTS.**

(a) TEMPORARY EMERGENCY IMPACT AID AUTHORIZED.—

(1) AID TO STATE EDUCATIONAL AGENCIES.—From amounts appropriated under this subtitle, the Secretary of Education shall provide emergency impact aid to State educational agencies to enable the State educational agencies to make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools to enable—

(A) such eligible local educational agencies and schools to provide for the instruction of displaced students served by such agencies and schools; and

(B) such eligible local educational agencies to make immediate impact aid payments to accounts established on behalf of displaced students (referred to in this section as ''accounts'') who are attending eligible non-public schools located in the areas served by the eligible local educational agencies.

(2) AID TO LOCAL EDUCATIONAL AGENCIES AND BIA-FUNDED SCHOOLS.—A State educational agency shall make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools in accordance with subsection (d).

(3) STATE EDUCATIONAL AGENCIES IN CERTAIN STATES.—In the case of the States of Louisiana and Mississippi, the State educational agency shall carry out the activities of eligible local educational agencies that are unable to carry out this section, including eligible local educational agencies in such States for which the State exercises the authorities normally exercised by such local educational agencies.

(b) DEFINITIONS.—In this section:

(1) DISPLACED STUDENT.—The term ''displaced student'' means a student who enrolled in a school (other than the school that the student was enrolled in, or was eligible to be enrolled in, on August 22, 2005) because such student resides or resided on August 22, 2005, in an area for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The term ''eligible local educational agency'' means a local educational agency that serves—

(A) an elementary school or secondary school (including a charter school) in which there is enrolled a displaced student; or

(B) an area in which there is located an eligible non-public school.

(3) ELIGIBLE NON-PUBLIC SCHOOL.—The term ''eligible non-public school'' means a non-public school that—

(A) is accredited or licensed or otherwise operates in accordance with State law;

(B) was in existence on August 22, 2005; and

(C) serves a displaced student on behalf of whom an application for an account has been made pursuant to subsection (c)(2)(A)(ii).

(4) ELIGIBLE BIA-FUNDED SCHOOL.—In this section, the term ''eligible BIA-funded school'' means a school funded by the Bureau of Indian Affairs in which there is enrolled a displaced student.

(c) APPLICATION.—

(1) STATE EDUCATIONAL AGENCY.—A State educational agency that desires to receive emergency impact aid under this section shall submit an application to the Secretary of Education at such time, in such manner, and accompanied by such information as the Secretary of Education may reasonably require, including—

(A) information on the total displaced student child count of the State provided by eligible local educational agencies in the State and eligible BIA-funded schools in the State under paragraph (2);

(B) a description of the process for the parent or guardian of a displaced student enrolled in a non-public school to indicate to the eligible local educational agency serving the area in which such school is located that the student is enrolled in such school;

(C) a description of the procedure to be used by an eligible local educational agency in such State to provide payments to accounts;

(D) a description of the process to be used by an eligible local educational agency in such State to obtain—

(i) attestations of attendance of eligible displaced students from eligible non-public schools, in order for the local educational agency to provide payments to accounts on behalf of eligible displaced students; and

(ii) attestations from eligible non-public schools that accounts are used only for the purposes described in subsection (e)(2)(A); and

(E) the criteria, including family income, used to determine the eligibility for and the amount of assistance under this section provided on behalf of a displaced student attending an eligible non-public school.

(2) LOCAL EDUCATIONAL AGENCIES AND BIA-FUNDED SCHOOLS.—An eligible local educational agency or eligible BIA-funded school that desires an emergency impact aid payment under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require, including documentation submitted quarterly for the 2005–2006 school year that indicates the following:

(A) In the case of an eligible local educational agency—

(i) the number of displaced students enrolled in the elementary schools and secondary schools (including charter schools and including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act) served by such agency for such quarter; and

(ii) the number of displaced students for whom the eligible local educational agency expects to provide payments to accounts under subsection (e)(2) (including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act) for such quarter who meet the following criteria:

(I) The displaced student enrolled in an eligible non-public school prior to the date of enactment of this Act.

(II) The parent or guardian of the displaced student chose to enroll the student in the eligible non-public school in which the student is enrolled.

(III) The parent or guardian of the displaced student submitted an application requesting that the agency make a payment to an account on behalf of the student.

(IV) The displaced student's tuition and fees (and transportation expenses, if any) for the 2005–2006 school year is waived or reimbursed (by the eligible non-public school) in an amount that is not less than the amount of emergency impact aid payment provided on behalf of such student under this section.

(B) In the case of an eligible BIA-funded school, the number of displaced students, including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), enrolled in such school for such quarter.

(3) DETERMINATION OF NUMBER OF DISPLACED STUDENTS.—In determining the number of displaced students for a quarter under paragraph (2), an eligible local educational agency or eligible BIA-funded school shall include in such number the number of displaced students served during such quarter prior to the date of enactment of this Act.

(d) AMOUNT OF EMERGENCY IMPACT AID.—

(1) AID TO STATE EDUCATIONAL AGENCIES.—

(A) IN GENERAL.—The amount of emergency impact aid received by a State educational agency for the 2005–2006 school year shall equal the sum of—

(i) the product of the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)), as determined by the eligible local educational agencies and eligible BIA-funded schools in the State under subsection (c)(2), times $6,000; and

(ii) the product of the number of displaced students who are served under part B of the Individuals with Disabilities Education Act, as determined by the eligible local educational agencies and eligible BIA-funded schools in the State under subsection (c)(2), times $7,500.

(B) INSUFFICIENT FUNDS.—If the amount available under this section to provide emergency impact aid under this subsection is insufficient to pay the full amount that a State educational agency is eligible to receive under this section, the Secretary of Education shall ratably reduce the amount of such emergency impact aid.

(2) AID TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE BIA-FUNDED SCHOOLS.—

(A) QUARTERLY INSTALLMENTS.—

(i) IN GENERAL.—A State educational agency shall provide emergency impact aid payments under this section on a quarterly basis for the 2005–2006 school year by such dates as determined by the Secretary of Education. Such quarterly installment payments shall be based on the number of displaced students reported under subsection (c)(2) and in the amount determined under clause (ii).

(ii) PAYMENT AMOUNT.—Each quarterly installment payment under clause (i) shall equal 25 percent of the sum of—

(I) the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $6,000; and

(II) the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $7,500.

(iii) TIMELINE.—The Secretary of Education shall establish a timeline for quarterly reporting on the number of displaced students in order to make the appropriate disbursements in a timely manner.

(iv) INSUFFICIENT FUNDS.—If, for any quarter, the amount available under this section to make payments under this subsection is insufficient to pay the full amount that an eligible local educational agency or eligible BIA-funded school is eligible to receive under this section, the State educational agency shall ratably reduce the amount of such payments.

(B) MAXIMUM PAYMENT TO ACCOUNT.—In providing quarterly payments to an account for the 2005–2006 school year on behalf of a displaced student for each quarter that such student is enrolled in a non-public school in the area served by the agency under subsection (e)(2), an eligible local educational agency may provide not more than 4 quarterly payments to such account, and the aggregate amount of such payments shall not exceed the lesser of—

(i)(I) in the case of a displaced student who is not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), $6,000; or

(II) in the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act, $7,500; or

(ii) the cost of tuition and fees (and transportation expenses, if any) at the non-public school for the 2005–2006 school year.

(e) USE OF FUNDS.—

(1) DISPLACED STUDENTS IN PUBLIC SCHOOLS.—An eligible local educational agency or eligible BIA-funded school receiving emergency impact aid payments under this section shall use the payments to provide instructional opportunities for displaced students who enroll in elementary schools and secondary schools (including charter schools) served by such agency or in such a school, and for other expenses incurred as a result of the agency or school serving displaced students, which uses may include—

(A) paying the compensation of personnel, including teacher aides, in schools enrolling displaced students;

(B) identifying and acquiring curricular material, including the costs of providing additional classroom supplies, and mobile educational units and leasing sites or spaces;

(C) basic instructional services for such students, including tutoring, mentoring, or academic counseling;

(D) reasonable transportation costs;

(E) health services (including counseling and mental health services); and

(F) education and support services.

(2) DISPLACED STUDENTS IN NON-PUBLIC SCHOOLS.—

(A) IN GENERAL.—An eligible local educational agency that receives emergency impact aid payments under this section and that serves an area in which there is located an eligible non-public school shall, at the request of the parent or guardian of a displaced student who meets the criteria described in subsection (c)(2)(A)(ii) and who enrolled in a non-public school in an area served by the agency, use such emergency impact aid payment to provide payment on a quarterly basis (but not to exceed the total amount specified in subsection (d)(2)(B) for the 2005–2006 school year) to an account on behalf of such displaced student, which payment shall be used to assist in paying for any of the following:

(i) Paying the compensation of personnel, including teacher aides, in the non-public school, which funds shall not be used for religious instruction, proselytization, or worship.

(ii) Identifying and acquiring curricular material, including the costs of providing additional classroom supplies (which shall be secular, neutral, and shall not have a religious component), and mobile educational units and leasing sites or spaces, which shall not be used for religious instruction, proselytization, or worship.

(iii) Basic instructional services, including tutoring, mentoring, or academic counseling, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(iv) Reasonable transportation costs.

(v) Health services (including counseling and mental health services), which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(vi) Education and support services, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(B) VERIFICATION OF ENROLLMENT.—Before providing a quarterly payment to an account under subparagraph (A), the eligible local educational agency shall verify with the parent or guardian of a displaced student that such displaced student is enrolled in the non-public school.

(3) PROVISION OF SPECIAL EDUCATION AND RELATED SERVICES.—

(A) IN GENERAL.—In the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), any payment made on behalf of such student to an eligible local educational agency or any payment available in an account for such student, shall be used to pay the cost of providing the student with special education and related services consistent with the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(B) SPECIAL RULE.—

(i) RETENTION.—Notwithstanding any other provision of this section, if an eligible local educational agency provides services to a displaced student attending an eligible non-public school under section 612(a)(10) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(10)), the eligible local educational agency may retain a portion of the assistance received under this section for such student to pay the cost of providing such services.

(ii) DETERMINATION OF PORTION.—

(I) GUIDELINES.—Each State shall issue guidelines that specify the portion of the assistance that an eligible local educational agency in the State may retain under this subparagraph. Each State shall apply such guidelines in a consistent manner throughout the State.

(II) DETERMINATION OF PORTION.—The portion specified in the guidelines shall be based on customary costs of providing services under such section 612(a)(10) for the local educational agency.

(C) DEFINITIONS.—In this paragraph:

(i) SPECIAL EDUCATION; RELATED SERVICES.—The terms ''special education'' and ''related services'' have the meaning given such terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

(ii) INDIVIDUALIZED EDUCATION PROGRAM.—The term ''individualized education program'' has the meaning given the term in section 614(d)(2) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(2)).

(f) RETURN OF AID.—

(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY OR ELIGIBLE BIA-FUNDED SCHOOL.—An eligible local educational agency or eligible BIA-funded school that receives an emergency impact aid payment under this section shall return to the State educational agency any payment provided to the eligible local educational agency or school under this section that the eligible local educational agency or school has not obligated by the end of the 2005–2006 school year in accordance with this section.

(2) STATE EDUCATIONAL AGENCY.—A State educational agency that receives emergency impact aid under this section, shall return to the Secretary of Education—

(A) any aid provided to the agency under this section that the agency has not obligated by the end of the 2005–2006 school year in accordance with this section; and

(B) any payment funds returned to the State educational agency under paragraph (1).

(g) LIMITATION ON USE OF AID AND PAYMENTS.—Aid and payments provided under this section shall only be used for expenses incurred during the 2005–2006 school year.

(h) ADMINISTRATIVE EXPENSES.—A State educational agency that receives emergency impact aid under this section may use not more than 1 percent of such aid for administrative expenses. An eligible local educational agency or eligible BIA-funded school that receives emergency impact aid payments under this section may use not more than 2 percent of such payments for administrative expenses.

(i) SPECIAL FUNDING RULE.—In calculating funding under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for an eligible local educational agency that receives an emergency impact aid payment under this section, the Secretary of Education shall not count displaced students served by such agency for whom an emergency impact aid payment is received under this section, nor shall such students be counted for the purpose of calculating the total number of children in average daily attendance at the schools served by such agency as provided in section 8003(b)(3)(B)(i) of such Act (20 U.S.C. 7703(b)(3)(B)(i)).

(j) NOTICE OF OPTION OF PUBLIC SCHOOL OR NON-PUBLIC SCHOOL ENROLLMENT.—Each State receiving emergency impact aid under this section shall provide, to the parent or guardian of each displaced student for whom a payment is made under this section to an account who resides in such State, notification that such parent or guardian has the option of enrolling such student in a public school or a non-public school.

(k) BY-PASS.—If a State educational agency or eligible local educational agency is unable to carry out this section, the Secretary of Education may make such arrangements with the State as the Secretary determines appropriate to carry out this section on behalf of displaced students attending an eligible non-public school in the area served by such agency. For a State in which State law prohibits the State from using Federal funds to directly provide services on behalf of students attending non-public schools and provides that another entity shall provide such services, the Secretary of Education shall make such arrangements with that entity.

(l) NONDISCRIMINATION.—

(1) IN GENERAL.—A school that enrolls a displaced student under this section shall not discriminate against students on the basis of race, color, national origin, religion, disability, or sex.

(2) APPLICABILITY AND SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—

(A) IN GENERAL.—To the extent consistent with title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the prohibition of sex discrimination in paragraph (1) shall not apply to a non-public school that is controlled by a religious organization if the application of paragraph (1) would not be consistent with the religious tenets of such organization.

(B) SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—Notwithstanding paragraph (1) and to the extent consistent with title IX of the Education Amendments of 1972, a parent or guardian may choose and a non-public school may offer a single sex school, class, or activity.

(C) ENROLLMENT.—The prohibition of religious discrimination in paragraph (1) shall not apply with regard to enrollment for a non-public school that is controlled by a religious organization, except in the case of the enrollment of displaced students assisted under this section.

(3) GENERAL PROVISION.—Nothing in this section may be construed to alter or modify the provisions of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(4) OPT-IN.—A displaced student assisted under this section who is enrolled in a non-public school shall not participate in religious worship or religious classes at such school unless such student's parent or guardian chooses to opt-in such student for such religious worship or religious classes.

(5) RULE OF CONSTRUCTION.—The amount of any payment (or other form of support provided on behalf of a displaced student) under this section shall not be treated as income of a parent or guardian of the student for purposes of Federal tax laws or for determining eligibility for any other Federal program.

(m) TREATMENT OF STATE AID.—A State shall not take into consideration emergency impact aid payments received under this section by a local educational agency in the State in determining the eligibility of such local educational agency for State aid, or the amount of State aid, with respect to free public education of children.

**SEC. 7957. ORIGINATION FEES FOR STUDENT LOANS.**

(a) SPECIAL ALLOWANCES.—Notwithstanding section 438(c)(2) of the Higher Education Act of 1965 (as amended by this Act) (20 U.S.C. 1087–1(c)(2)), subparagraph (A) of

section 438(c)(2) of such Act shall be applied by substituting ''2.0 percent'' for ''3.0 percent'' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.

(b) ORIGINATION FEES FOR FEDERAL DIRECT LOANS..—Notwithstanding subsection (c) of section 455 of the Higher Education Act of 1965 (as amended by this Act) (20 U.S.C. 1087e(c)), the first sentence of such subsection shall be applied by substituting ''1.0 percent'' for ''not less than 1 percent and not more than 3 percent'' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.

(c) REPEAL OF ORIGINATION FEES.—

(1) AMENDMENTS.—Sections 438(c) and 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(c), 1087e(c)) are repealed.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on July 1, 2011.

(d) NONAPPLICABILITY OF SUNSET PROVISION.—Section 7959 shall not apply to this section or to the amendments made by this section.

**SEC. 7958. AUTHORIZATION AND APPROPRIATION OF FUNDS.**

There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, $1,660,000,000 to carry out this subtitle, of which—

(1) $450,000,000 shall be available to carry out section 7952;

(2) $10,000,000 shall be available to carry out section 7955; and

(3) $1,200,000,000 shall be available to carry out section 7956.

**SEC. 7959. SUNSET PROVISION.**

Except as otherwise provided in this subtitle, the provisions of this subtitle shall be effective for the period beginning on the date of enactment of this Act and ending on August 1, 2006.

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**SA 2353.** Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); which was ordered to lie on the table; as follows:

On page 391, between lines 2 and 3, insert the following:

(c) PROSPECTIVE TERMINATION OF 9.5 PERCENT MINIMUM SPECIAL ALLOWANCE PAYMENT.—Section 438(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(B)) is amended by adding at the end the following:

''(vi) Notwithstanding clauses (i), (ii), and (v), the quarterly rate of the special allowance shall be the rate determined under subparagraph (A), (E), (F), (G), (H), or (I), as the case may be, for a holder of loans—

''(I) that were made or purchased on or after the date of enactment of this clause; or

''(II) that were not earning a quarterly rate of special allowance determined under clause (i) or (ii) as of the date of enactment of this clause.''.

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**SA 2354.** Mr. NELSON of Florida (for himself, Mrs. STABENOW, Mr. HARKIN, Mrs. CLINTON, Ms. MIKULSKI, Mrs. MURRAY, Mr. KOHL, and Mr. DORGAN) submitted an amendment intended to be proposed by him to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); which was ordered to lie on the table; as follows:

On page 368, between line 5 and 6, insert the following:

**SEC. 6116. PROTECTION FOR MEDICARE BENEFICIARIES WHO ENROLL IN THE PRESCRIPTION DRUG BENEFIT DURING 2006.**

(a) IN GENERAL.—Section 1851(e)(3)(B) (42 U.S.C. 1395w–21(e)(3)(B)) is amended—

(1) in clause (iii), by striking ''May 15, 2006'' and inserting ''December 31, 2006''; and

(2) by adding at the end the following new sentence:

''An individual making an election during the period beginning on November 15, 2006, and ending on December 15, 2006, shall specify whether the election is to be effective with respect to 2006 or with respect to 2007 (or both).''.

(b) EXTENDING OPEN ENROLLMENT PERIOD FOR 2006.—

(1) IN GENERAL.—Section 1851(e) (42 U.S.C. 1395w–21(e)) is amended—

(A) in paragraph (2)(B)—

(i) in the heading, by striking ''**FOR FIRST 6 MONTHS**'';

(ii) in clause (i)—

(I) by striking ''the first 6 months of 2006'' and inserting ''2006''; and

(II) by striking ''the first 6 months during 2006'' and inserting ''2006'';

(iii) in clause (ii), by inserting ''(other than during 2006)'' after ''paragraph (3)''; and

(iv) in clause (iii), by striking ''2006'' and inserting ''2007''; and

(B) in paragraph (4), by striking ''2006'' and inserting ''2007'' each place it appears.

(2) CONFORMING AMENDMENT.—Section 1860D–1(b)(1)(B)(iii) (42 U.S.C. 1395w–101(b)(1)(B)(iii)) is amended by striking ''subparagraphs (B) and (C) of paragraph (2)'' and inserting ''paragraph (2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173).

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**SA 2355.** Mr. INHOFE (for himself and Mr. CHAMBLISS) submitted an amendment intended to be proposed by him to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows:

''Beginning with fiscal year 2007 and thereafter, all non-defense, non-trust-fund, discretionary spending shall not exceed the previous fiscal year's levels, for purposes of the congressional budget process (Section 302 et al of the Congressional Budget Act of 1974), without a ⅔ vote of Members duly chosen and sworn.''

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**SA 2356.** Mrs. LINCOLN (for herself, Mrs. LANDRIEU, Mr. BAUCUS, Mr. PRYOR, and Mr. KENNEDY) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows;

At the end of subtitle A of title VI, add the following:

**CHAPTER 7—EMERGENCY HEALTH CARE AND OTHER RELIEF FOR SURVIVORS OF HURRICANE KATRINA**

**Subchapter A—Emergency Health Care Relief**

**SEC. 6081. DEFINITIONS.**

In this subchapter:

(1) DIRECT IMPACT PARISH OR COUNTY.—

(A) IN GENERAL.—The term ''direct impact parish or county'' means a parish in the State of Louisiana, or a county in the State of Mississippi or Alabama, for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined, before September 14, 2005, warrants individual and public assistance from the Federal Government under such Act.

(B) EXCLUSION.—Such term does not include a parish in the State of Louisiana or a county in the State of Mississippi or Alabama which the President has determined warrants only public assistance from the Federal Government under such Act as a result of Hurricane Katrina.

(C) AUTHORITY TO RELY ON WEB SITE POSTED DESIGNATIONS.—The Secretary of Health and Human Services shall post on the Internet Web site for the Centers for Medicare & Medicaid Services a list of parishes and counties identified as direct impact parishes or counties in accordance with this paragraph. Any such parish or county that is posted on such Web site as a direct impact parish or county shall be treated for purposes of subparagraph (A) as described in such subparagraph.

(2) DRM ASSISTANCE.—The term ''DRM assistance'' means the short-term, non-cash, temporary, in-kind, emergency disaster relief health program established under section 6082 to assist Katrina Survivors in accordance with that section.

(3) DRM COVERAGE PERIOD.—

(A) IN GENERAL.—The term ''DRM coverage period'' means the period beginning on August 28, 2005, and, subject to subparagraph (B), ending on the date that is 5 months after the date of enactment of this Act.

(B) AUTHORITY TO EXTEND DRM COVERAGE PERIOD.—

(i) IN GENERAL.—The Secretary may extend the DRM coverage period for an additional 5 months. Any reference to the term ''DRM coverage period'' in this subchapter shall include any extension under this clause.

(ii) NOTICE TO CONGRESS AND STATES.—The Secretary shall notify the Majority and Minority Leaders of the Senate, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Chairs and Ranking Members of the Committee on Finance of the Senate and the Committees on Energy and Commerce and Ways and Means of the House of Representatives, and the States at least 45 days prior to—

(I) extending the DRM coverage period; or

(II) if the Secretary determines not to extend such period, the ending date described in subparagraph (A).

(4) KATRINA SURVIVOR.—

(A) IN GENERAL.—The term ''Katrina Survivor'' means an individual who is described in subparagraph (B) or (C).

(B) RESIDENTS AND EVACUEES OF DIRECT IMPACT PARISHES AND COUNTIES.—An individual who, on any day during the week preceding August 28, 2005, had a primary residence in a direct impact parish or county.

(C) INDIVIDUALS WHO LOST EMPLOYMENT.—An individual whose—

(i) worksite, on any day during the week preceding August 28, 2005, was located in a direct impact parish or county; and

(ii) employment with an employer which conducted an active trade or business on August 28, 2005, in a direct impact parish or county and with respect to whom such trade or business is inoperable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained in connection with Hurricane Katrina, is terminated.

(D) TREATMENT OF CURRENT MEDICAID BENEFICIARIES.—Nothing in this subchapter shall be construed as preventing an individual who is otherwise entitled to medical assistance under title XIX of the Social Security Act

from being treated as a Katrina Survivor under this subchapter.

(E) TREATMENT OF HOMELESS PERSONS.—For purposes of this subchapter, in the case of an individual who was homeless on any day during the week described in subparagraph (B), the individual's ''residence'' shall be deemed to be the place of residence as otherwise determined for such an individual under title XIX of the Social Security Act.

(5) POVERTY LINE.—The term ''poverty line'' has the meaning given that term in section 2110(c)(5) of the Social Security Act (42 U.S.C. 1397jj(c)(5)).

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(7) STATE.—The term ''State'' has the meaning given that term for purposes of title XIX of the Social Security Act (42 U.S.C 1396 et seq.).

(8) STATE MEDICAID PLAN.—The term ''State Medicaid plan'' means a State plan for medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), including any medical assistance provided under a waiver of such plan.

**SEC. 6082. DISASTER RELIEF MEDICAID.**

(a) AUTHORITY TO PROVIDE DISASTER RELIEF MEDICAID.—

(1) IN GENERAL.—Notwithstanding any provision of title XIX of the Social Security Act, a State shall, as a condition of participation in the Medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), provide medical assistance to DRM-eligible Katrina Survivors (as defined in subsection (b)) under a State Medicaid plan during the DRM coverage period in accordance with the following provisions of this section.

(2) AUTHORITY TO PROVIDE DRM ASSISTANCE AS SEPARATE COMPONENT OF REGULAR STATE MEDICAID PLAN OR UNDER SUCH PLAN.—

(A) IN GENERAL.—A State may provide DRM assistance without submitting an amendment to the State Medicaid plan and as a separate component of the State Medicaid plan or, subject to subparagraph (B), under such plan.

(B) CONDITIONS FOR PROVISION OF DRM ASSISTANCE UNDER REGULAR STATE MEDICAID PLAN.—A State may only provide DRM assistance under the State Medicaid plan if the State provides such assistance in accordance with the requirements of this section and the State is able to separately identify and report expenditures or other information attributable to the provision of such assistance.

(b) DRM-ELIGIBLE KATRINA SURVIVOR DEFINED.—

(1) IN GENERAL.—In this section, the term ''DRM-eligible Katrina Survivor'' means a Katrina Survivor whose family income does not exceed the higher of—

(A) 100 percent (200 percent, in the case of such a Survivor who is a pregnant woman or child) of the poverty line; or

(B) the income eligibility standard which would apply to the Survivor under the State Medicaid plan.

(2) SPECIAL RULE FOR KATRINA SURVIVORS WHO ARE RECIPIENTS OF DISABILITY INSURANCE BENEFITS.—In the case of a Katrina Survivor who is a recipient of disability insurance benefits under section 202 or 223 of the Social Security Act (42 U.S.C. 402, 423), paragraph (1) shall be applied to such Survivor by substituting ''300 percent of the supplemental security income benefit rate established by section 1611(b)(1) of the Social Security Act (42 U.S.C. 1382(b)(1))'' for subparagraph (A) of such paragraph.

(3) NO RESOURCES, RESIDENCY, OR CATEGORICAL ELIGIBILITY REQUIREMENTS.—Eligibility under paragraph (1) shall be determined without application of any resources test, State residency, or categorical eligibility requirements.

(4) INCOME DETERMINATION.—

(A) LEAST RESTRICTIVE INCOME METHODOLOGIES; PROSPECTIVE DETERMINATION.—The State shall use the least restrictive methodologies applied under the State Medicaid plan under section 1902(r)(2) of the Social Security Act (42 U.S.C. 1396a(r)(2)) in determining income eligibility for Katrina Survivors under paragraph (1) and shall determine family income for such Survivors only prospectively from the date of application.

(B) DISREGARD OF UI COMPENSATION AND DISASTER RELIEF ASSISTANCE.—In determining such income eligibility, the State shall disregard—

(i) any amount received under a law of the United States or of a State which is in the nature of unemployment compensation by a Katrina Survivor during the DRM coverage period, including unemployment assistance provided under section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177); and

(ii) any assistance provided (in cash or in kind) to a Katrina Survivor from any public or private entity as a result of Hurricane Katrina.

(5) DEFINITION OF CHILD.—For purposes of paragraph (1), a DRM-eligible Katrina Survivor shall be determined to be a ''child'' if such Survivor meets the definition of ''child'' under the State Medicaid plan.

(6) CERTAIN INDIVIDUALS DEEMED TO BE DRM-ELIGIBLE KATRINA SURVIVORS.—

(A) IN GENERAL.—Upon submission of an application from an individual attesting that the individual is an individual described in any of the categories described in subparagraph (B), or, if an individual is an individual described in subparagraph (C), the State shall deem the individual to be a DRM-eligible Katrina Survivor for purposes of eligibility for DRM assistance during the DRM coverage period.

(B) CATEGORIES DESCRIBED.—For purposes of subparagraph (A), the categories described in this subparagraph are the following:

(i) KATRINA SURVIVORS ENROLLED IN A STATE MEDICAID PLAN AS OF THE BEGINNING OF THE DRM COVERAGE PERIOD.—Any Katrina Survivor who can provide proof of enrollment in a State Medicaid plan as of August 28, 2005.

(ii) KATRINA SURVIVORS WHO ARE RECIPIENTS OF UNEMPLOYMENT COMPENSATION.—Any Katrina Survivor who, during the DRM coverage period, is a recipient of an amount paid under a law of the United States or of a State which is in the nature of unemployment compensation, including unemployment assistance provided under section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177).

(iii) KATRINA SURVIVORS ENROLLED IN DRM ASSISTANCE IN ANOTHER STATE.—Any Katrina Survivor determined by another State to be a DRM-eligible Katrina Survivor who was enrolled in DRM assistance in that State and who relocates to the State during the DRM coverage period.

(C) KATRINA SURVIVORS PROVIDED MEDICAL ASSISTANCE PRIOR TO DATE OF ENACTMENT.—

(i) IN GENERAL.—An individual described in this subparagraph is any Katrina Survivor who is provided medical assistance under a State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment of this Act.

(ii) NONAPPLICATION TO CHILD HEALTH ASSISTANCE.—In the case of an individual who is a Katrina Survivor who is provided child health assistance under a State child health plan in accordance with guidance from the Secretary during the period described in clause (i), such individual shall not be deemed to be a DRM-eligible Katrina Survivor for purposes of receiving DRM assistance under this section. Nothing in the preceding sentence shall be construed as prohibiting such an individual from submitting an application for DRM assistance.

(c) ELIGIBILITY DETERMINATION; NO CONTINUATION OF DRM ASSISTANCE.—

(1) STREAMLINED ELIGIBILITY PROCESS.—The State shall use the following streamlined procedures in processing applications and determining eligibility for DRM assistance for DRM-eligible Katrina Survivors and eligibility for the payment of private health insurance premiums under section 107(b)(2)(A):

(A) ONE-PAGE APPLICATION.—A common 1-page application form developed by the Secretary of Health and Human Services in consultation with the National Association of State Medicaid Directors. Such form shall—

(i) require an applicant to provide an expected address for the duration of the DRM coverage period and to agree to update that information if it changes during such period;

(ii) include notice regarding the penalties for making a fraudulent application under subsection (h);

(iii) require the applicant to assign to the State any rights of the applicant (or any other person who is a DRM-eligible Katrina Survivor and on whose behalf the applicant has the legal authority to execute an assignment of such rights) under any group health plan or other third-party coverage for health care;

(iv) require the applicant to—

(I) list any health insurance coverage which the applicant was enrolled in immediately prior to submitting such application; and

(II) indicate whether the applicant would rather receive DRM assistance from a State in accordance with this section or, if private health insurance is available, assistance in paying the premiums for such health insurance under section 6088(b)(2)(A); and

(v) be translated by the Secretary into languages other than English, and in cultural contexts, that are most appropriate for the applicants expected to submit such forms.

(B) SELF-ATTESTATION.—Self-attestation by the applicant that the applicant—

(i) is a DRM-eligible Katrina Survivor; and

(ii) if applicable, requires home and community-based services provided under such DRM assistance in accordance with subsection (d)(3).

(C) NO DOCUMENTATION.—The State shall not require documentation evidencing the basis on which the applicant qualifies to be a DRM-eligible Katrina Survivor or, if applicable, requires home and community-based services.

(D) ISSUANCE OF ELIGIBILITY CARD.—

(i) IN GENERAL.—Subject to clause (iii), the State shall, immediately upon submission of a complete application (including the self-attestation required under subparagraph (B)) by an applicant, issue a DRM assistance eligibility card to the applicant.

(ii) VALIDITY; NOTICE OF TERMINATION DATE.—A DRM assistance eligibility card shall be valid as long as the DRM coverage period is in effect and shall be accompanied by notice of the termination date for the DRM coverage period and, if applicable, notice that such termination date may be extended. If the Secretary extends the DRM coverage period, the State shall notify DRM-eligible Katrina Survivors enrolled in DRM assistance of the new termination date for the DRM coverage period.

(iii) APPLICATION TO STATES THAT ELECT TO PROVIDE DRM ASSISTANCE UNDER THE REGULAR STATE MEDICAID PLAN.—In the case of a State that elects under subsection (a)(2) to provide DRM assistance under the State Medicaid

plan, the State may issue to an applicant who submits a complete application an eligibility card that is similar to the cards issued by the State to enrollees in the State medicaid plan, but only if the State is able to adapt the card in a manner which clearly identifies that the applicant is eligible for DRM assistance and provides notice of the termination date for the DRM coverage period (and the new termination date applicable if the Secretary extends such coverage period).

(E) APPLICATION FOR MEDICAL ASSISTANCE UNDER REGULAR STATE MEDICAID PLAN.—Concurrent with the issuance of an eligibility card under subparagraph (D), the State shall provide the applicant with an application for medical assistance under the State Medicaid plan.

(F) PRESUMPTIVE ELIGIBILITY.—

(i) STATES THAT PROVIDE FOR PRESUMPTIVE ELIGIBILITY UNDER THE REGULAR STATE MEDICAID PLAN.—In the case of a State that, as of the date of enactment of this Act, provides for a period of presumptive eligibility under the State Medicaid plan in accordance with section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396r–1, 1396r–1a, 1396r–1b), the State shall deem an applicant to be a DRM-eligible Katrina Survivor eligible for DRM assistance in accordance with this section, subject to subsection (g), if the applicant completes an application for such assistance, presents it to a provider or facility participating in the State Medicaid plan that is qualified to make presumptive eligibility determinations under such plan (which at a minimum shall consist of facilities identified in section 1902(a)(55) of the Social Security Act (42 U.S.C. 1396a(a)(55)), and it appears to the provider or facility that the applicant is a DRM-eligible Katrina Survivor based on the information in the application.

(ii) APPLICATION TO STATES THAT DO NOT PROVIDE PRESUMPTIVE ELIGIBILITY UNDER THE REGULAR STATE MEDICAID PLAN.—In the case of a State which does not provide for a period of presumptive eligibility under the State medicaid plan, the State may elect to provide for a period of presumptive eligibility for DRM assistance by designating qualified providers (as defined in section 1920(b)(2) of such Act (42 U.S.C. 1396r–1(b)(2)) as providers that are specifically designated by the State to make presumptive determinations in accordance with clause (i) with respect to eligibility for such assistance, but only if—

(I) the State elects to provide for a period of presumptive eligibility for such assistance for all Katrina Survivors who may be DRM-eligible Katrina Survivors in accordance with subsection (b); and

(II) the qualified providers designated by the State to make determinations of presumptive eligibility for such assistance, at a minimum, consistent of facilities identified in section 1902(a)(55) of the Social Security Act (42 U.S.C. 1396a(a)(55)) that are qualified providers under section 1920(b)(2) of such Act.

(G) CONTINUOUS ELIGIBILITY.—Continuous eligibility, without the need for any redetermination of eligibility, for the duration of the DRM coverage period.

(2) NO CONTINUATION OF DRM ASSISTANCE.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), no DRM assistance shall be provided after the end of the DRM coverage period.

(B) PRESUMPTIVE ELIGIBILITY FOR MEDICAL ASSISTANCE UNDER REGULAR MEDICAID PLAN.—

(i) IN GENERAL.—If a State, as of the date of enactment of this Act, provides for a period of presumptive eligibility for medical assistance under the State Medicaid plan in accordance with section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396r–1, 1396r–1a, 1396r–1b), the State shall provide a DRM-eligible Katrina Survivor who is receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan, with presumptive eligibility for medical assistance under the State Medicaid plan.

(ii) STATE OPTION TO PROVIDE PRESUMPTIVE ELIGIBILITY.—If a State is a State to which clause (i) does not apply, the State may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for a DRM-eligible Katrina Survivor who is receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan in accordance with section 1920, 1920A, or 1920B of such Act, if the State were to provide such a period of presumptive eligibility under the State Medicaid plan.

(iii) STATE OPTION FOR ALL STATES TO PROVIDE PRESUMPTIVE ELIGIBILITY TO OTHER POPULATIONS OF DRM-ELIGIBLE KATRINA SURVIVORS.—In addition to the populations of DRM-eligible Katrina Survivors described in clauses (i) and (ii), a State to which clause (i) or (ii) applies, may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for other DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section as of the end of the DRM coverage period.

(iv) LENGTH OF PERIOD.—A presumptive eligibility period provided in accordance with clause (i), (ii), or (iii) shall be provided until the earlier of—

(I) the date on which a determination with respect to the Survivor's application for medical assistance under the State Medicaid plan is made; or

(II) the end of the 60-day period that begins on the first day after the end of the DRM coverage period.

(C) PREGNANT WOMEN.—In the case of a DRM-eligible Katrina Survivor who is receiving DRM assistance from a State in accordance with this section and whose pregnancy ended during the 60-day period prior to the end of the DRM coverage period, or who is pregnant as of the end of such period, such Survivor shall continue to be eligible for DRM assistance after the end of the DRM coverage period, including (but not limited to) for all pregnancy-related and postpartum medical assistance available under the State Medicaid plan, through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends.

(d) SCOPE OF COVERAGE.—

(1) CATEGORICALLY NEEDY BENEFITS.—The State shall treat a DRM-eligible Katrina Survivor as an individual eligible for medical assistance under the State plan under title XIX of the Social Security Act on the basis of section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)), with coverage for such assistance retroactive to items and services furnished on or after August 28, 2005 (or in the case of applications for DRM assistance submitted after January 1, 2006, the first day of the 5th month preceding the date on which such application is submitted).

(2) EXTENDED MENTAL HEALTH AND CARE COORDINATION BENEFITS.—The State may provide, without regard to any restrictions on amount, duration, and scope, comparability, or restrictions otherwise applicable under the State Medicaid plan (other than restrictions applicable under such plan with respect to services provided in an institution for mental diseases), to DRM-eligible Katrina Survivors extended mental health and care coordination benefits which may include the following:

(A) Screening, assessment, and diagnostic services (including specialized assessments for individuals with cognitive impairments).

(B) Coverage for a full range of mental health medications at the dosages and frequencies prescribed by health professionals for depression, post-traumatic stress disorder, and other mental disorders.

(C) Treatment of alcohol and substance abuse.

(D) Psychotherapy, rehabilitation, and other treatments administered by psychiatrists, psychologists, or social workers.

(E) Subject to restrictions applicable under the State Medicaid plan with respect to services provided in an institution for mental diseases, in-patient mental health care.

(F) Family counseling.

(G) In connection with the provision of health and long-term care services, arranging for, (and when necessary, enrollment in waiver programs or other specialized programs), and coordination related to, primary and specialty medical care, which may include personal care services, durable medical equipment and supplies, assistive technology, and transportation.

(3) HOME AND COMMUNITY-BASED SERVICES.—

(A) IN GENERAL.—In the case of a State with a waiver to provide home and community-based services granted under section 1115 of the Social Security Act or under subsection (c) or (d) of section 1915 of such Act, the State may provide such services to DRM-eligible Katrina Survivors who self-attest in accordance with subsection (c)(1)(B)(ii) that they require immediate home and community-based services that are available under such waiver without regard to whether the Survivors would require the level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded. Such DRM-eligible Katrina Survivors include (but are not limited to) individuals described in subparagraph (B).

(B) INDIVIDUALS DESCRIBED.—Individuals described in this subparagraph are individuals who—

(i) on any day during the week preceding August 28, 2005—

(I) had been receiving home and community-based services under a waiver described in subparagraph (A) in a direct impact parish or county;

(II) had been receiving support services from a primary family caregiver who, as a result of Hurricane Katrina, is no longer available to provide services; or

(III) had been receiving personal care, home health, or rehabilitative services under the State Medicaid plan or under a waiver granted under section 1915 or 1115 of the Social Security Act; or

(ii) are disabled (as determined under the State Medicaid plan).

(B) WAIVER OF RESTRICTIONS.—The Secretary shall waive with respect to the provision of home and community-based services under this paragraph any limitations on—

(i) the number of individuals who shall receive home or community-based services under a waiver described in subparagraph (A);

(ii) budget neutrality requirements applicable to such waiver; and

(iii) targeted populations eligible for services under such waiver.

The Secretary may waive other restrictions applicable under such a waiver, that would prevent a State from providing home and community-based services in accordance with this paragraph.

(4) CHILDREN BORN TO PREGNANT WOMEN.—In the case of a child born to a DRM-eligible

Katrina Survivor who is provided DRM assistance during the DRM coverage period, such child shall be treated as having been born to a pregnant woman eligible for medical assistance under the State Medicaid plan and shall be eligible for medical assistance under such plan in accordance with section 1902(e)(4) of the Social Security Act (42 U.S.C. 1396a(e)(4)). The Federal medical assistance percentage applicable to the State Medicaid plan shall apply to medical assistance provided to a child under such plan in accordance with the preceding sentence.

(e) TERMINATION OF COVERAGE; ASSISTANCE WITH APPLYING FOR REGULAR MEDICAID COVERAGE.—

(1) NOTICE OF EXPECTED TERMINATION OF DRM COVERAGE PERIOD.—A State shall provide DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section, as of the beginning of the 4th month (and, if applicable, 9th month) of the DRM coverage period with—

(A) notice of the expected termination date for DRM assistance for such period and, if applicable, any extension of the DRM coverage period and the expected termination date for the extension of such period;

(B) information regarding eligibility for medical assistance under the State's eligibility rules otherwise applicable under the State Medicaid plan; and

(C) an application for such assistance and information regarding where to obtain assistance with completing such application in accordance with paragraph (2).

(2) APPLICATION ASSISTANCE.—A State shall provide DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section with assistance in applying for medical assistance under the State Medicaid plan for periods beginning after the end of the DRM coverage period, at State Medicaid offices and at locations easily accessible to such Survivors.

(3) STATE REPORTS.—A State providing DRM assistance in accordance with this section shall submit to the Secretary the following reports:

(A) TERMINATION AND TRANSITION ASSISTANCE TO REGULAR MEDICAID COVERAGE FOR DRM-ELIGIBLE KATRINA SURVIVORS ELIGIBLE FOR SUCH ASSISTANCE.—Not later than the last day of the 3rd month of the DRM coverage period, a report detailing how the State intends to satisfy the requirements of paragraphs (1) and (2).

(B) ENROLLMENT.—Not later than 3 months after the end of the DRM coverage period, a report regarding—

(i) the number of Katrina Survivors who are determined to be DRM-eligible Katrina Survivors; and

(ii) the number of DRM-eligible Katrina Survivors who are determined to be eligible for, and enrolled in, the State Medicaid plan.

(4) SECRETARIAL OVERSIGHT.—The Secretary of Health and Human Services shall ensure that a State is complying with the requirements of paragraphs (1) and (2) and that applications for medical assistance under the State Medicaid plan from DRM-eligible Katrina Survivors for periods beginning after the end of the DRM coverage period are processed in a timely and appropriate manner.

(5) NO PRIVATE RIGHT OF ACTION AGAINST A STATE FOR FAILURE TO PROVIDE NOTICE.—No private right of action shall be brought against a State for failure to provide the notices required under paragraph (1) or subsection (c)(1) so long as the State makes a good faith effort to provide such notices.

(f) 100 PERCENT FEDERAL MATCHING PAYMENTS.—

(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b), the Federal medical assistance percentage or the Federal matching rate otherwise applied under section 1903(a) of such Act (42 U.S.C. 1396b(a)) shall be 100 percent for—

(A) providing DRM assistance to DRM-eligible Katrina Survivors during the DRM coverage period in accordance with this section;

(B) costs directly attributable to administrative activities related to the provision of such DRM assistance, including costs attributable to obtaining recoveries under subsection (h);

(C) costs directly attributable to providing application assistance in accordance with subsection (e)(2); and

(D) medical assistance provided in accordance with subparagraph (B) of subsection (c)(2), and DRM assistance provided in accordance with subparagraph (C) of that subsection, after the end of the DRM coverage period.

(2) INCLUSION OF ASSISTANCE PROVIDED TO KATRINA SURVIVORS PRIOR TO DATE OF ENACTMENT.—Any assistance provided to a Katrina Survivor under a State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM assistance provided to a DRM-eligible Katrina Survivor during the DRM coverage period for purposes of paragraph (1).

(3) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR COSTS FOR PROVIDING CHILD HEALTH ASSISTANCE PRIOR TO DATE OF ENACTMENT; RESTORATION OF ALLOTMENTS USED TO PROVIDE SUCH ASSISTANCE.—With respect to child health assistance for items and services furnished during the period described in paragraph (2) to a Katrina Survivor—

(A) notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)), the Federal matching rate for providing such child health assistance under a State child health plan and for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent;

(B) payments to a State for the provision of such assistance shall not be considered to be payments from an allotment for the State under section 2104 of such Act (42 U.S.C 1397dd); and

(C) any payments that were made to a State for the provision of such assistance prior to such date of enactment, shall be disregarded for purposes of determining the unexpended amount of any allotment available for expenditure by the State under that section.

(4) DISREGARD OF PAYMENTS.—Payments provided to a State in accordance with this subsection shall be disregarded for purposes of applying subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308).

(g) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is enrolled in the State Medicaid plan as a DRM-eligible Katrina Survivor under the provisions of this section. Such effort shall not delay the determination of the eligibility of the Survivor for DRM assistance under this section or the provision of such assistance to the Survivor.

(2) EVIDENCE OF VERIFICATION.—A State may satisfy the verification requirement under subparagraph (A) with respect to an individual by showing that the State providing DRM assistance obtained information from the Federal Emergency Management Agency, the Social Security Administration, the Internal Revenue Service, or the State Medicaid Agency for the State from which individual is from (if the individual was not a resident of such State on any day during the week preceding August 28, 2005).

(h) PENALTY FOR FRAUDULENT APPLICATIONS.—

(1) INDIVIDUAL LIABLE FOR COSTS.—If a State, as the result of verification activities conducted under subsection (g) or otherwise, determines after a fair hearing that an individual has knowingly made a false self-attestation described in subsection (c)(1)(B), the State may, subject to paragraph (2), seek recovery from the individual for the full amount of the cost of DRM assistance provided to the individual under this section.

(2) EXCEPTION.—The Secretary shall exempt a State from seeking recovery under paragraph (1) if the Secretary determines that it would not be cost-effective for the State to do so.

(3) REIMBURSEMENT TO THE FEDERAL GOVERNMENT.—Any amounts recovered by a State in accordance with this subsection shall be returned to the Federal government.

(i) EXEMPTION FROM ERROR RATE PENALTIES.—

(1) IN GENERAL.—All payments attributable to providing DRM assistance in accordance with this section, including during a period of presumptive eligibility for such assistance in accordance with subsection (c)(1)(F), shall be disregarded for purposes of section 1903(u) of the Social Security Act (42 U.S.C. 1396b(u)).

(2) APPLICATION OF ERROR RATE PENALTIES FOR PRESUMPTIVE ELIGIBILITY PERIODS FOR MEDICAL ASSISTANCE AFTER THE END OF THE DRM COVERAGE PERIOD.—The rules for application of such section under the State Medicaid plan, as in effect on the date of enactment of this Act, shall apply with respect to any period of presumptive eligibility for medical assistance under such plan provided by a State in accordance with subsection (c)(2)(B).

(j) PROVIDER PAYMENT RATES.—In the case of any DRM assistance provided in accordance with this section to a DRM-eligible Katrina Survivor that is covered under the State Medicaid plan (as applied without regard to this section) the State shall pay a provider of such assistance the same payment rate as the State would otherwise pay for the assistance if the assistance were provided under the State Medicaid plan (or, if no such payment rate applies under the State Medicaid plan, the usual and customary prevailing rate for the item or service for the community in which it is provided).

(k) APPLICATION TO INDIVIDUALS ELIGIBLE FOR MEDICAL ASSISTANCE.—Nothing in this section shall be construed as affecting any rights accorded to an individual who is a recipient of medical assistance under a State Medicaid plan who is determined to be a DRM-eligible Katrina Survivor, but the provision of DRM assistance to such individual shall be limited to the provision of such assistance in accordance with this section.

(l) NO ENTITLEMENT TO REGULAR MEDICAL ASSISTANCE SOLELY ON THE BASIS OF RECEIPT OF DRM ASSISTANCE OR IN THE ABSENCE OF A NEW APPLICATION FOR MEDICAL ASSISTANCE.—Notwithstanding paragraphs (3) and (8) of section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), and section 435.930(b) of title 42, Code of Federal Regulations, subject to subparagraphs (B) and (C) of subsection (c)(2), and subsection (d)(4), nothing in this section shall be construed as providing an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance in accordance with this section, with an entitlement to receive medical assistance under the State Medicaid plan after the end of the DRM coverage period—

(1) solely on the basis of the individual's receipt of such DRM assistance; or

(2) in the absence of a new application submitted by such individual for medical assistance under such plan.

(m) LIMITATION WITH RESPECT TO APPLICATION TO MEDICARE PRESCRIPTION DRUG BENEFIT.—In the case of an individual who is a DRM-eligible Katrina Survivor who receives DRM assistance from a State in accordance with this section, and who is eligible for part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.) or enrolled in part B of title XVIII of such Act (42 U.S.C. 1395j et seq.)—

(1) the State payment required under section 1935(c) of such Act (42 U.S.C. 1395u–5(c)) shall be determined without regard to the provision of DRM assistance to such individual; and

(2) such individual shall not be treated as a subsidy eligible individual for purposes of eligibility for the low-income subsidies provided under section 1860D–14 of such Act (42 U.S.C. 1395w–114) with respect to the prescription drug coverage provided under part D of title XVIII of such Act (42 U.S.C. 1395w–101 et seq.), or enrollment in such coverage, solely on the basis of the provision of DRM assistance to such individual.

(n) NO DRM ASSISTANCE IF THE SECRETARY IS MAKING PAYMENTS ON BEHALF OF THE INDIVIDUAL FOR PRIVATE HEALTH INSURANCE.—A DRM-eligible Katrina Survivor may not receive DRM assistance from a State in accordance with this section during any period in which the Secretary is making a payment for a health insurance premium on behalf of such Survivor under section 6088(b)(2)(A) with respect to that period.

**SEC. 6083. TARGETED MEDICAID RELIEF FOR MAJOR DISASTER PARISHES AND COUNTIES IN LOUISIANA, MISSISSIPPI, AND ALABAMA.**

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR MEDICAL ASSISTANCE PROVIDED IN MAJOR DISASTER PARISH OR COUNTY.—

(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), for items and services furnished during the period that begins on August 28, 2005, and ends on August 31, 2006, the Federal medical assistance percentage for providing medical assistance for such items and services under a State Medicaid plan to any individual, including a Katrina Survivor, residing in a major disaster parish or county (as defined in subsection (c)), and for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(2) APPLICATION TO CHILD HEALTH ASSISTANCE.—Notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)), for items and services furnished during the period described in subsection (a), the Federal matching rate for providing child health assistance for such items and services under a State child health plan in a major disaster parish or county, and for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent.

(b) MORATORIUM ON REDETERMINATIONS.—During the DRM coverage period, the States of Louisiana, Mississippi, and Alabama shall not be required to conduct eligibility redeterminations under the State's Medicaid plan.

(c) MAJOR DISASTER PARISH OR COUNTY DEFINED.—For purposes of subsection (a), a major disaster parish or county is a parish of the State of Louisiana or a county of the State of Mississippi or Alabama for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined, as of September 14, 2005, warrants individual or public assistance from the Federal Government under such Act.

**SEC. 6084. AUTHORITY TO WAIVE REQUIREMENTS DURING NATIONAL EMERGENCIES WITH RESPECT TO EVACUEES FROM AN EMERGENCY AREA.**

(a) IN GENERAL.—Section 1135(g)(1) of the Social Security Act (42 U.S.C. 1320b–5(g)(1)) is amended by adding at the end the following:

''Any geographical area in which the Secretary determines there are a significant number of evacuees from an area that is considered to be an emergency area under the preceding sentence shall be considered to be an 'emergency area' for purposes of this section.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if enacted on August 28, 2005.

**SEC. 6085. EMERGENCY ASSISTANCE FOR STATES WITH SIGNIFICANT NUMBERS OF EVACUEES WITH RESPECT TO THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE FOR FISCAL YEAR 2006.**

(a) IN GENERAL.—If the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))) determined for a State described in subsection (b) for fiscal year 2006 is less than the Federal medical assistance percentage determined for such State for fiscal year 2005, the Federal medical assistance percentage for the State for fiscal year 2005 shall apply to the State for fiscal year 2006 for purposes of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.).

(b) STATE DESCRIBED.—For purposes of subsection (a), a State described in this subsection is a State that, as of September 30, 2005, is hosting at least 10,000 Katrina Survivors described in section 6081(4)(A), as determined on the basis of Federal Emergency Management Authority data.

**SEC. 6086. EMERGENCY ASSISTANCE TO MEDICARE BENEFICIARIES.**

(a) EXCLUSION OF DRM COVERAGE PERIOD IN COMPUTING MEDICARE PART B LATE ENROLLMENT PERIOD.—In applying the first sentence of section 1839(b) of the Social Security Act (42 U.S.C. 1395r(b)) in the case of an individual who, on any day during the week preceding August 28, 2005, had a residence in a direct impact parish or county, there shall not be taken into account any month any part of which is within the DRM coverage period.

(b) WRITTEN PLAN ON TRANSITION OF CERTAIN FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS TO PRESCRIPTION DRUG COVERAGE UNDER MEDICARE PART D.—

(1) IN GENERAL.—Not later than December 1, 2005, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall submit to Congress a written plan on how the Secretary will provide for the transition of coverage of prescription drugs for full-benefit dual eligible individuals (as defined in section 1935(c)(6) of the Social Security Act (42 U.S.C. 1396u–5(c)(6)) who, on any day during the week preceding August 28, 2005, had a residence in a direct impact parish or county, from the Medicaid program under title XIX of such Act to the Medicare program under part D of title XVIII of such Act.

(2) REQUIREMENTS.—The plan shall address issues relating to the following:

(A) The application of the rules for automatic assignment into prescription drug plans under section 1860D–1(b)(1)(C) of the Social Security Act (42 U.S.C. 1395w–101(b)(1)(C)).

(B) The communication by the Secretary and sponsors of prescription drug plans to individuals described in paragraph (1) of—

(i) information regarding such rules; and

(ii) if such an individual is automatically assigned to a plan, information on the plan.

(C) Beneficiary protections related to the emergency use of out-of-network and nonformulary benefits, including under circumstances related to a lack of medical records and access to prescribing physicians.

(D) Any other area determined appropriate by the Secretary.

**SEC. 6087. RELIEF FOR HOSPITALS LOCATED IN A DIRECT IMPACT PARISH OR COUNTY.**

(a) INCREASE IN MEDICARE PAYMENTS TO HOSPITALS FOR BAD DEBT.—During the DRM coverage period, section 1861(v)(1)(T)(iv) of the Social Security Act (42 U.S.C. 1395x(v)(1)(T)(iv)) shall be applied by substituting ''0 percent'' for ''30 percent'' with respect to—

(1) a hospital located in a direct impact parish or county; and

(2) any other hospital, but only to the extent that the bad debt is related to items and services furnished to an individual who, on any day during the week preceding August 28, 2005, had a residence in a direct impact parish or county.

(b) WAIVER OF CERTAIN MEDICARE QUALITY REPORTING REQUIREMENTS FOR HOSPITALS.—During the DRM coverage period, section 1886(b)(3)(B)(vii) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(vii)) shall not apply to a hospital that is located in a direct impact parish or county.

**SEC. 6088. DISASTER RELIEF FUND.**

(a) ESTABLISHMENT.—There is established in the Treasury of the United States the Disaster Relief Fund (in this section referred to as the ''Fund'') which—

(1) shall be administered by the Secretary; and

(2) shall consist of amounts made available under subsection (h).

(b) USE OF AMOUNTS IN FUND.—Amounts in the Fund shall be used by the Secretary for the following:

(1) PAYMENTS TO PROVIDERS.—The Secretary shall make payments directly to medicaid providers described in subsection (e) to offset the costs incurred by such providers as a result of Hurricane Katrina.

(2) PAYMENTS FOR PRIVATE HEALTH INSURANCE COVERAGE.—The Secretary shall make payments to State insurance commissioners for the purpose of making payments to health insurance issuers—

(A) on behalf of individuals that would otherwise qualify for DRM assistance from the State under section 6082 but for subsection (n) of such section for such individual's share of their health insurance premium; and

(B) on behalf of qualified employers for the employer share of their employee's health insurance premiums, but only with respect to the days on which the employer meets the definition under subsection (f).

(c) RULES FOR PAYMENTS TO PROVIDERS.—

(1) CONSULTATION.—In making payments to medicaid providers under subsection (b)(1), the Secretary shall consult with the Louisiana Department of Health and Hospitals, the Mississippi Department of Health, and the Alabama Department of Public Health in order to best identify the providers with the greatest need of such payments.

(2) PRIORITY.—In making payments to medicaid providers under subsection (b)(1), the Secretary shall give priority to community-based hospitals, physician practices, and other providers located in a direct impact parish or county where the health care infrastructure was destroyed or nearly destroyed.

(3) DESCRIPTION OF NEED AND HOW FUNDING WILL BE USED.—In order for a medicaid provider to be eligible for a payment under subsection (b)(1), the provider shall provide the Secretary with a description of the need for the funding and how the funding will be used.

(4) TIMING FOR FIRST PAYMENT.—The first payment to medicaid providers under subsection (b)(1) shall be made by not later than 10 days after the date of enactment of this Act.

(d) RULES FOR PAYMENTS ON BEHALF OF INDIVIDUALS FOR PRIVATE HEALTH INSURANCE.—

(1) STREAMLINED ELIGIBILITY PROCESS.—In making payments on behalf of individuals under subsection (b)(2)(A), the Secretary shall use the streamlined eligibility process under section 6082(c)(1).

(2) NO PAYMENTS IF THE INDIVIDUAL IS RECEIVING DRM ASSISTANCE.—No payments may be made on behalf of an individual under subsection (b)(2)(A) with respect to any period in which the individual is receiving DRM assistance from a State under section 6082.

(e) MEDICAID PROVIDERS DESCRIBED.—For purposes of subsection (b)(1), medicaid providers described in this subsection are—

(1) any provider under such title, including a supplier of medical assistance consisting of durable medical equipment (as defined in section 1861(n) of such Act (42 U.S.C. 1395x(n)), that, during a period after August 28, 2005, as determined by the Secretary—

(A) experiences a significant increase, as determined by the Secretary, in their patient caseload; or

(B) experiences a significant drop, as determined by the Secretary, in their patient caseload, including a provider that is temporarily closed during such period; and

(2) any other provider under such title, including such a supplier, determined appropriate by the Secretary.

(f) QUALIFIED EMPLOYER DEFINED.—For purposes of subsection (b)(2)(B), the term ''qualified employer'' means any employer—

(1) which conducted an active trade or business on August 28, 2005, in a direct impact parish or county; and

(2) with respect to which the trade or business described in paragraph (1)—

(A) is inoperable on any day during the DRM coverage period as a result of damage sustained in connection with Hurricane Katrina; or

(B) is not paying salary or benefits to employees on any day during the DRM coverage period as a result of damage sustained in connection with Hurricane Katrina.

(g) EXPEDITING IMPLEMENTATION.—The Secretary shall promulgate regulations to carry out this section which may be effective and final immediately on an interim basis as of the date of publication of the interim final regulation. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comments on such regulation after the date of publication. The Secretary may change or revise such regulation after completion of the period of public comment.

(h) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Fund $800,000,000 for fiscal year 2005, to remain available until expended.

(i) APPLICATION OF APPROPRIATIONS FUNDING PROVISIONS.—Amounts provided in this section for making payments to medicaid providers under subsection (b)(1) shall be governed by the terms of division F of the Consolidated Appropriations Act, 2005 (Public Law 108–447, 118 Stat. 3112) (or succeeding appropriations measures for a fiscal year) that apply to funding for Grants to States for Medicaid under Title XIX of the Social Security Act.

**SEC. 6089. NONAPPLICATION OF CERTAIN PROVISIONS.**

Notwithstanding any other provision of this Act, this Act shall be applied without regard to subsections (a) and (b) of section 6032.

**Subchapter B—TANF Relief**

**SEC. 6090. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA.**

(a) IN GENERAL.—Section 3 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

**''SEC. 3. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA.**

''(a) ELIGIBILITY FOR PAYMENTS FROM THE CONTINGENCY FUND.—

''(1) PERIOD OF APPLICABILITY.—Beginning with August 29, 2005, and ending with September 30, 2006, a State described in paragraph (2) or (3) shall be considered a needy State for purposes of section 403(b) of the Social Security Act (42 U.S.C. 603(b)).

''(2) DIRECT IMPACT STATES.—A State described in this paragraph is Louisiana, Mississippi, or Alabama.

''(3) OTHER STATES.—

''(A) IN GENERAL.—A State is described in this paragraph if the State provides any benefit or service that may be provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) to a family which—

''(i) has resided in a direct impact State described in paragraph (2);

''(ii) has travelled (not necessarily directly) to the State from such direct impact State as a result of Hurricane Katrina; and

''(iii) if applying for benefits or services on or after October 28, 2005, the State has determined is not receiving cash benefits from any program funded under such part of any other State.

''(B) APPLICATION TO TERRITORIES.—

''(i) IN GENERAL.—Notwithstanding section 403(b)(7) of the Social Security Act, a territory (as defined in section 1108(c)(1) of such Act (42 U.S.C.1308(c)(1)) shall be considered to be a State described in this paragraph for purposes of this section.

''(ii) DISREGARD OF PAYMENTS.—Section 1108(a) of the Social Security Act (42 U.S.C. 1308(a)) shall be applied without regard to any amounts paid to a territory (as so defined) in accordance with this section.

''(b) MONTHLY PAYMENTS.—Notwithstanding paragraph (3)(C)(i) of subsection (b) of section 403 of the Social Security Act (42 U.S.C. 603), and in addition to any other amounts paid to a State under that subsection, the total amount paid during a month to a State under this section shall not exceed the following:

''(1) DIRECT IMPACT STATES.—In the case of a State described in subsection (a)(2), such amount shall not exceed, ¼ of 20 percent of the State family assistance grant.

''(2) OTHER STATES.— In the case of a State described in subsection (a)(3), such amount shall not exceed the lesser of—

''(A) the total amount of Hurricane Katrina Emergency TANF Benefits (as defined in section 6(c)(1)) provided by the State to families described in subsection (a)(3); or

''(B) ¼ of 20 percent of the State family assistance grant.

''(c) NO STATE MATCH OR MAINTENANCE OF EFFORT REQUIRED.—Sections 403(b)(6) and 409(a)(10) of the Social Security Act (42 U.S.C. 603(b)(6), 609(a)(10)) shall not apply with respect to a payment made to a State by reason of this section.

''(d) INCREASE IN FUNDING TO THE EXTENT NECESSARY TO ENSURE THAT STATES WILL BE ABLE TO ACCESS THE CONTINGENCY FUND.—For the period described in subsection (a)(1), paragraph (2) of subsection (b) of section 403 of the Social Security Act (42 U.S.C. 603) shall be applied without regard to the limitation on the total amount specified in such paragraph and funds appropriated pursuant to such paragraph shall be available for payments authorized under this section and under such subsection (b).''.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

**SEC. 6091. INCREASE IN AMOUNT OF ADDITIONAL TANF FUNDS AVAILABLE FOR HURRICANE-DAMAGED STATES.**

(a) IN GENERAL.—Section 4 of the TANF Emergency Response and Recovery Act of 2005 is amended—

(1) in subsection (a)(2), by striking ''20 percent'' and inserting ''40 percent''; and

(2) in subsection (b), in the matter preceding paragraph (1), by inserting ''(at any time during or after the period described in section 3(a)(1))'' after ''may not be imposed''.

(b) RETROACTIVE EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

**SEC. 6092. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS.**

(a) IN GENERAL.—Section 6 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

**''SEC. 6. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS.**

''(a) IN GENERAL.—During the period described in section 3(a)(1), a State described in paragraph (2) or (3) of section 3(a) or an Indian tribe with a tribal family assistance plan approved under section 412 of the Social Security Act (42 U.S.C. 612) may provide Hurricane Katrina Emergency TANF Benefits under the State or tribal program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(b) CERTAIN RULES WAIVED.—

''(1) IN GENERAL.—Hurricane Katrina Emergency TANF Benefits shall not be considered assistance for purposes of sections 407, paragraphs (2), (3), or (7) of section 408(a), 411, or section 454(29) of the Social Security Act (42 U.S.C. 607, 608(a), 611, 654(29)).

''(2) LIMITED WAIVER OF RULES UNDER SECTION 454(4)(A)(I).—

''(A) IN GENERAL.—Subject to subparagraph (B), such benefits shall not be considered assistance for purposes of section 454(4)(A)(i) of such Act (42 U.S.C. 654(4)(A)(i)).

''(B) EXCEPTION FOR FAMILIES ALREADY RECEIVING CHILD SUPPORT SERVICES OR WHO APPLY FOR SUCH SERVICES.—Subparagraph (A) shall not apply with respect to such benefits that are provided to a family who—

''(i) at the time such benefits are provided, are receiving child support services under a State plan under section 454 of such Act (42 U.S.C. 654); or

''(ii) applies for child support services under such a State plan on behalf of a child who is receiving such benefits.

''(c) HURRICANE KATRINA EMERGENCY TANF BENEFITS.—

''(1) IN GENERAL.—In this section, the term 'Hurricane Katrina Emergency TANF Benefits' means any benefit or service that may be provided under a State or tribal program funded under part A of title IV of the Social Security Act to support families which the State or Indian tribe deems to be needy families based on their statement, circumstance, or inability to access resources and who—

''(A) are described in section 3(a)(3); or

''(B) subject to paragraph (2), reside in a State described in section 3(a)(2).

''(2) LIMITATION.—Any benefit or service provided under a State or tribal program funded under part A of title IV of the Social

Security Act in a State described in section 3(a)(2) to a family who the State or Indian tribe deems to be a needy family in accordance with paragraph (1), shall only be considered to be a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe designates that the benefit or service is to be treated as a Hurricane Katrina Emergency TANF Benefit.

''(d) SIMPLIFIED DATA REPORTING.—

''(1) IN GENERAL.—Each State or Indian tribe which provides Hurricane Katrina Emergency TANF Benefits shall report to the Secretary of Health and Human Services on a monthly basis the following information:

''(A) The total amount of expenditures attributable to providing Hurricane Katrina Emergency TANF Benefits.

''(B) The total number of families receiving such benefits.

''(C) To the extent the State determines it is able to do so, the total amount of such benefits provided that are—

''(i) cash;

''(ii) child care; or

''(iii) other benefits and services.

''(2) REPORTS TO CONGRESS.—The Secretary of Health and Human Services shall submit, on a monthly basis, a compilation of the reports submitted in accordance with paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.''.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

**Subchapter C—Miscellaneous Provisions**

**SEC. 6093. DISCLOSURE BASED ON VALID AUTHORIZATION.**

(a) IN GENERAL.—Section 223(d)(5) of the Social Security Act (42 U.S.C. 423(d)(5)) is amended by adding at the end the following:

''(C) Notwithstanding any other provision of law, if the Commissioner of Social Security provides to a custodian of records a copy, facsimile, or electronic version of an authorization obtained from the individual to disclose records to the Commissioner, then such custodian shall not be held liable under any applicable Federal or State law for disclosing any record or other information in response to such request, on the basis that the authorization relied upon was a copy, facsimile, or electronic version of the authorization.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to disclosures of records or other information made on or after the date of enactment of this Act.

**SEC. 6094. EMERGENCY PROCUREMENT AUTHORITY IN SUPPORT OF HURRICANE KATRINA RESCUE AND RELIEF EFFORTS.**

(a) SMALL BUSINESS RESERVATION OFFSET.—Section 15(j) of the Small Business Act (15 U.S.C. 644(j)) is amended by adding at the end the following:

''(4) For any contracts involving the use of the special emergency procurement authority under section 32A(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428a(c)), the dollar ceiling of the small business reservation established in paragraph (1) shall be adjusted to match the applicable amount of the simplified acquisition threshold.''.

(b) RETENTION OF SMALL BUSINESS SUBCONTRACTING.—Section 8(d)(4)(D) of the Small Business Act (15 U.S.C. 637(d)(4)(D)) is amended—

(1) by striking ''(D) No contract'' and inserting the following:

''(D) SMALL BUSINESS PARTICIPATION.—

''(i) IN GENERAL.—No contract''; and

(2) by adding at the end the following:

''(ii) EMERGENCY PROCUREMENTS.—

''(I) IN GENERAL.—For any contract which otherwise meets the requirements of this subsection, and which involves the use of special emergency procurement authority under section 32A(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 428a(c)), the subcontracting plan required under this subsection shall be negotiated as soon as is practicable, but not later than 30 days after the date on which the contract is awarded.

''(II) PAYMENT.—Not greater than 50 percent of the amounts due under any contract described in subclause (I) may be paid, unless a subcontracting plan compliant with this subsection is negotiated by the contractor.''.

(c) LIMITATIONS ON INCREASED MICRO-PURCHASE THRESHOLD.—Notwithstanding any other provision of law, the authority granted under section 101 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109-62), including the modifications under subsection (d), shall—

(1) be restricted for use solely within the geographic areas designated by the President as disaster areas due to Hurricane Katrina;

(2) not be exercised in a manner inconsistent with any Federal law providing for local preference in disaster relief and recovery contracting; and

(3) terminate 120 days after the date of enactment of this Act.

(d) MODIFIED THRESHOLD.—Notwithstanding section 101(2) of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109–62), the amount specified in subsections (c), (d), and (f) of the section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) for purchases necessary for support of Hurricane Katrina rescue and relief operations shall be $50,000, or such an amount in excess of $50,000, but not to exceed $250,000, as may be approved by the head of the executive agency concerned (or any delegate of the head of such executive agency, who shall be an officer or employee of such executive agency who is a warranted contracting officer for making Federal acquisitions).

(e) OMB GUIDANCE ON USE OF GOVERNMENT CREDIT CARDS FOR MICRO-PURCHASES.—

(1) GUIDANCE REQUIRED.—Not later than 14 calendar days after the date of enactment of this Act, the Director of the Office of Management and Budget shall issue clear and concise guidance regarding the use of Government credit cards by Federal agencies to make micro-purchases under subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428), as modified by this section.

(2) ELEMENTS.—The guidance under paragraph (1) shall include—

(A) a list of Government officials with the authority to approve purchases under subsection (d) in amounts in excess of $50,000, designated by agency, title, and pay grade;

(B) the number of credit cards, by agency, that may be utilized for purchases under subsection (d) in amounts in excess of $50,000;

(C) procedures for the immediate review of any purchase under subsection (d) in an amount in excess of $50,000 that was not approved by an official specified in that paragraph as required by that paragraph;

(D) procedures for the audit of all purchases made on Government credit cards after the expiration of subsection (d) under subsection (c); and

(E) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances.

(3) REPORTS ON PURCHASES.—Not later than 180 days after the date of the enactment of this Act, the head of each executive agency making any purchase under subsection (d) in an amount in excess of $50,000 shall submit to the appropriate Congressional committees a report on each such purchase made by such agency, including—

(A) a description of the property or services so purchased;

(B) a statement of the purpose of such purchase;

(C) a statement of the amount of such purchase;

(D) a statement of the name, title, and pay grade of the officer or employee of such agency making such purchase; and

(E) whether such purchases were made with small business concerns.

(4) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ''appropriate Congressional committees'' means—

(A) the Committees on Appropriations, Small Business and Entrepreneurship, Finance, and Homeland Security and Governmental Affairs of the Senate; and

(B) the Committees on Appropriations, Small Business, and Government Reform of the House of Representatives.

**SEC. 6095. TRANSFER OF FUNDS.**

Notwithstanding any other provision of law, of the amounts made available to the Department of Homeland Security under the heading ''Disaster Relief' under the heading ''Emergency Preparedness and Response'' of Public Law 109–62 (119 Stat. 1991), such sums as are necessary to carry out this chapter shall—

(1) be made available to the Secretary to carry out this chapter;

(2) be used by the Secretary to carry out this chapter; and

(3) remain available until expended.

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**SA 2357.** Mr. NELSON of Florida (for himself, Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mr. REID, and Mr. KENNEDY) proposed an amendment to the bill S. 1932, to provide for reconciliation pursuant to section to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95); as follows:

On page 268, between lines 10 and 11, insert the following:

(d) PREMIUM TRANSITION RULE.—

(1) 2006.—

(A) PREMIUM.—Nothing in this section shall be construed as modifying the premium previously computed under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2006.

(B) GOVERNMENT CONTRIBUTION.—In computing the amount of the Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2006, the Secretary of Health and Human Services shall compute and apply a new actuarially adequate rate per enrollee age 65 and over under section 1839(a)(1) of such Act (42 U.S.C. 1395r(a)(1)) taking into account the provisions of this section.

(2) 2007.—

(A) PREMIUM.—The monthly premium under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2007 shall be computed as if this section had not been enacted.

(B) GOVERNMENT CONTRIBUTION.—The Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2007 shall be computed taking into account the provisions of this section, including subparagraph (A).

(e) EXTENSION OF PRESCRIPTION DRUG DISCOUNTS TO ENROLLEES OF MEDICAID MANAGED CARE ORGANIZATIONS.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended—

(A) in clause (xi), by striking ''and'' at the end;

(B) in clause (xii), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(xiii) such contract provides that payment for covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the entity shall be subject to the same rebate agreement entered into under section 1927 as the State is subject to and that the State shall have the option of collecting rebates for the dispensing of such drugs by the entity directly from manufacturers or allowing the entity to collect such rebates from manufacturers in exchange for a reduction in the prepaid payments made to the entity for the enrollment of such individuals.''.

(2) CONFORMING AMENDMENT.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)91)) is amended by inserting ''other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1903(m) that meets the requirements of paragraph (2)(A)(xiii) of that section'' before the period.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

## NOTICES OF HEARINGS/MEETINGS

### COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. INHOFE. Mr. President, I would like to announce that the Committee on Environment and Public Works will hold a hearing on November 2 at 9:30 a.m. to receive testimony on the response to Hurricane Katrina.

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that a joint hearing has been scheduled before the Committee on Energy and Natural Resources and the Committee on Commerce, Science and Transportation.

The hearing will be held on Wednesday, November 9, 2005, at 9:30 a.m. in Room SD–106 of the Dirksen Senate Office Building.

The purpose of this hearing is to receive testimony regarding energy pricing and profits.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

For further information, please contact Lisa Epifani 202–224–5269 or Shannon Ewan at 202–224–7555.

## AUTHORITIES FOR COMMITTEES TO MEET

### COMMITTEE ON ARMED SERVICES

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on November 1, 2005, at 9:30 a.m. in closed session to receive a briefing to provide an update on the progress of the joint improvised explosive devices (IED) Task Force.

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

### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, November 1, at 10 a.m., on the nominations of Shana Dale, to be Deputy Administrator, National Aeronautics and Space Administration, Mark Rosenker, to be Member, National Transportation Safety Board, and Kathryn Higgins, to be Member, of the National Transportation Safety Board,

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

### COMMITTEE ON FOREIGN RELATIONS

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, November 1, 2005, at 2:15 p.m. to hold a Business Meeting.

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

### COMMITTEE ON THE JUDICIARY

Mr. ENZI. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Judicial and Executive Nominations'' on Tuesday, November 1, 2005 at 2:30 p.m. in the Dirksen Senate Office Building Room 226.

*Witness List:*

Panel I: The Honorable Ted Stevens United States Senator, R–AK; and The Honorable Mitch McConnell United States Senator, R–KY.

Panel II: Erick Nicholas Vitaliano to be United States District Judge for the Eastern District of New York; Gregory F. Van Tatenhove to be United States District Judge for the Eastern District of Kentucky; Joseph Frank Bianco to be United States District Court Judge for the Eastern District of New York; and Timothy Mark Burgess to be United States District Judge for the District of Alaska.

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

### SUBCOMMITTEE ON NATIONAL PARKS

Mr. ENZI. Mr. President, I ask unanimous consent that the Subcommittee on National Parks be authorized to meet during the session of the Senate on Tuesday, November 1 at 10 a.m. The purpose of the hearing is to receive testimony on the National Park Service's draft management policies, including potential impact of the policies on park operations, park resources, interaction with gateway communities, and solicitation and collection of donations.

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

## PRIVILEGES OF THE FLOOR

Mr. GREGG. Mr. President I ask unanimous consent that Glenn Kaminsky, a legislative fellow in the offices of Senator LIEBERMAN, be granted the privilege of the floor during consideration of S. 1932.

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

## DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005—Continued

### MODIFICATIONS TO AMENDMENT NO. 2352

Mr. GREGG. Mr. President, I ask unanimous consent that the Enzi amendment No. 2352 be modified with the changes at the desk.

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

The modifications are as follows:

of the Higher Education Act of 1965 (as amended by this Act) (20 U.S.C. 1087e(c)), the second sentence of such subsection shall be applied by substituting ''2.0 percent'' for ''2.5 percent'' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.

(c) REPEAL OF ORIGINATION FEES.—

(1) AMENDMENTS.—Sections 438(c) and 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(c), 1087e(c)) are repealed.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on July 1, 2011.

(d) NONAPPLICABILITY OF SUNSET PROVISION.—Section 7959 shall not apply to this section or to the amendments made by this section.

**SEC. 7958. AUTHORIZATION AND APPROPRIATION OF FUNDS.**

There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, $1,660,000,000 to carry out this subtitle, of which—

(1) $450,000,000 shall be available to carry out section 7952;

(2) $10,000,000 shall be available to carry out section 7955; and

(3) $1,200,000,000 shall be available to carry out section 7956.

Mr. JOHNSON. Mr. President, I have recently received a very powerful and thoughtful letter from the Presiding Bishop of the Evangelical Lutheran Church in America, ELCA, of which I am a member. While my religious faith is central to the values which inform my political decisions, these decisions are never based exclusively on direction I might receive from my religious denomination's leaders.

Nonetheless, in this instance I believe that this letter, signed by all 66 ELCA bishops, sends the Senate a profoundly important and timely message concerning the budget reconciliation bill currently before this body.

I ask unanimous consent that this letter be printed in the RECORD, and I urge all my colleagues to take this message of Christian compassion and values to heart.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EVANGELICAL LUTHERAN CHURCH IN AMERICA

DEAR MEMBERS OF CONGRESS, We write to you as religious leaders seeking justice for millions of vulnerable and dispossessed people in our Nation. As Bishops of the Evangelical Lutheran Church in America we represent diverse regions but speak with one voice about the fundamental responsibility of the government, as an expression of the will of the people, to protect the least of its citizens and provide for the poorest in our society. In this spirit we ask specifically that you oppose any attempt to move forward on the budget reconciliation measures now before Congress.

Cuts to mandatory spending called for in the reconciliation package would decrease valuable assistance to millions of low-income families, children, elderly and people with disabilities. Even as the number of people living in poverty and without insurance has increased dramatically in the past five years, the last few tragic weeks in the Gulf Coast area have put a face, indeed, thousands of new faces, on poverty in the heart of our society. Programs such as Food Stamps, Medicaid, the State Children's Health Insurance Program (SCHIP), and Temporary Assistance to Needy Families (TANF) help to keep struggling families together and assist low-income working families in moving to higher economic ground. This is not the time to cut such important programs while using the cuts to pay for tax breaks for those who don't need them.

The Biblical record is clear. The Scriptural witness on which our faith tradition stands speaks dramatically of God's concern for and solidarity with poor and oppressed communities while speaking firmly in opposition to governments whose policies place narrow economic interests driven by greed above the common good. Jesus speaks and acts unequivocally on behalf of those on the margins of society. St. Paul writes forcefully about the importance of community and expands the definition of those we call brothers and sisters in Christ. As Americans open their homes to embrace neighbors from Gulf Coast states, as non-profit and religious organizations provide relief services, we strongly urge you to reflect on your role as a government official in providing for the least in our society and ask that you oppose any attempt to move forward with the budget reconciliation process.

Peace Be With You,

BISHOP MARK S. HANSON,
*Presiding Bishop,*
*Evangelical Lutheran Church in America.*

ALABAMA
Bishop Ronald B. Warren

ALASKA
Bishop Ronald D. Martinson

ARIZONA
Bishop Michael J. Neils

ARKANSAS
Bishop Floyd M. Schoenhals

CALIFORNIA
Bishop Murray D. Finck
Bishop David G. Mullen
Bishop Dean W. Nelson

COLORADO
Bishop Allan C. Bjornberg

CONNECTICUT
Bishop Margaret G. Payne

DELAWARE
Bishop H. Gerard Knoche

FLORIDA
Bishop Edward R. Benoway

GEORGIA
Bishop Ronald B. Warren

HAWAII
Bishop Murray D. Finck

IDAHO
Bishop Martin D. Wells

ILLINOIS
Bishop Warren D. Freiheit
Bishop Paul R. Landahl
Bishop Gary M. Wollersheim

INDIANA
Bishop James R. Stuck

IOWA
Bishop Philip L. Hougen
Bishop Michael A. Last
Bishop Steven L. Ullestad

KANSAS
Bishop Gerald L. Mansholt

KENTUCKY
Bishop James R. Stuck

LOUISIANA
Bishop Paul J. Blom
Bishop Kevin S. Kanouse

MAINE
Bishop Margaret G. Payne

MARYLAND
Bishop Ralph W. Dunkin
Bishop H. Gerard Knoche
Bishop Theodore F. Schneider

MASSACHUSETTS
Bishop Margaret G. Payne

MICHIGAN
Bishop Gary L. Hansen
Interim Bishop Kenneth R. Olsen
Bishop Thomas A. Skrenes

MINNESOTA
Bishop Jon V. Anderson
Bishop Craig E. Johnson
Bishop Peter Rogness
Bishop Peter Strommen
Bishop Harold L. Usgaard
Bishop Rolf P. Wangberg

MISSISSIPPI
Bishop Ronald B. Warren

MISSOURI
Bishop Gerald L. Mansholt

MONTANA
Bishop Richard R. Omland

NEBRASKA
Bishop David L. deFreese

NEVADA
Bishop David G. Mullen
Bishop Michael J. Neils

NEW HAMPSHIRE
Bishop Margaret G. Payne

NEW JERSEY
Bishop E. Roy Riley

NEW MEXICO
Bishop Allan C. Bjornberg

NEW YORK
Bishop Stephen P. Bouman
Bishop Marie C. Jerge
Bishop Margaret G. Payne

NORTH CAROLINA
Bishop Leonard H. Bolick

NORTH DAKOTA
Bishop Duane C. Danielson
Bishop Richard J. Foss

OHIO
Bishop Callon W. Holloway, Jr.
Bishop Marcus C. Lohrmann
Bishop Marcus J. Miller

OKLAHOMA
Bishop Floyd M. Schoenhals

OREGON
Bishop Paul R. Swanson

PENNSYLVANIA
Bishop Roy G. Almquist
Bishop Carol S. Hendrix
Bishop Ralph E. Jones
Bishop A. Donald Main
Bishop Donald J. McCoid
Bishop Gregory R. Pile
Bishop David R. Strobel

RHODE ISLAND
Bishop Margaret G. Payne

SOUTH CAROLINA
Bishop David A. Donges

SOUTH DAKOTA
Bishop Andrea F. DeGroot-Nesdahl

TENNESSEE
Bishop Ronald B. Warren

TEXAS
Bishop Allan C. Bjornberg
Bishop Paul J. Blom
Bishop Kevin S. Kanouse
Bishop Ray Tiemann

UTAH
Bishop Allan C. Bjornberg

VERMONT
Bishop Margaret G. Payne

VIRGINIA
Bishop James F. Mauney
Bishop Theodore F. Schneider

WASHINGTON
Bishop William Boerger
Bishop Robert D. Hofstad
Bishop Martin D. Wells

WASHINGTON D.C.
Bishop Theodore F. Schneider

WEST VIRGINIA
Bishop Ralph W. Dunkin

WISCONSIN
Bishop Robert D. Berg
Bishop George G. Carlson
Bishop James A. Justman
Bishop Thomas A. Skrenes
Bishop Paul W. Stumme-Diers
Bishop April Ulring Larson

WYOMING
Bishop Allan C. Bjornberg

BAHAMAS
Bishop Edward R. Benoway

PUERTO RICO
Bishop Margarita Martinez

U.S. VIRGIN ISLANDS
Bishop Margarita Martinez

SLOVAK ZION SYNOD
Bishop Wilma S. Kucharek
(CT, IL, MI, NJ, NY, OH, PA)

## UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 2744

Mr. GREGG. Mr. President, I ask unanimous consent that at a time to be determined by the majority leader, in consultation with the Democratic leader, the Senate proceed to the immediate consideration of the conference report to accompany H.R. 2744, the Agriculture appropriations bill. I further ask unanimous consent that there be 2 hours of debate equally divided between the majority and minority and that upon the use or yielding back of time, the Senate proceed to vote on the adoption of the conference report, all without intervening action or debate.

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

EXPRESSING APPRECIATION FOR THE CONTRIBUTION OF CHINESE ART AND CULTURE

Mr. GREGG. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of S. Con. Res. 56 and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 56) expressing appreciation for the contribution of Chinese art and culture and recognizing the Festival of China at the Kennedy Center.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GREGG. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to this measure be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 56) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 56

Whereas mutual cultural understanding and appreciation helps to advance the overall bilateral relationship between the United States and China;

Whereas Chinese cultural achievements have enriched the world for over 5,000 years;

Whereas Chinese artists both in China and in the United States have excelled in music, dance, fashion, theater, film, and the visual arts;

Whereas the John F. Kennedy Center for the Performing Arts is hosting a month-long celebration of Chinese cultural contributions at the Festival of China in October 2005;

Whereas the event, with more than 50 performances and exhibitions and over 800 artists, will be the largest festival in the history of the Kennedy Center;

Whereas the Kennedy Center characterizes the Festival of China as the ''the largest celebration of Chinese performing arts in American history'';

Whereas events like the Festival of China, along with efforts to promote educational and scientific cooperation between the United States and China, further mutual understanding between our two societies;

Whereas publicly- and privately-funded exchange programs and other forms of Sino-American contacts foster positive relations; and

Whereas cultural events like the Festival of China help strengthen diplomatic, commercial, and political cooperation between the United States and China: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress that—

(1) the diverse array of cultural contributions made by Chinese artists based in China, the United States, and around the world benefit the entire international community;

(2) the Kennedy Center, along with the Chinese Ministry of Culture, should be commended for promoting Chinese achievement in the arts at the Festival of China;

(3) the significant undertaking and efforts necessary to organize the Festival of China provides a unique opportunity for bilateral cooperation;

(4) building upon the Festival of China, additional efforts that promote cultural understanding between the United States and China should be encouraged;

(5) the United States and China should work to promote cultural, as well as scientific and educational, cooperation between the two countries;

(6) the United States and China should continue to promote exchange programs, such as the Festival of China, as a vital tool for advancing mutual understanding and cooperation between the people of the United States and the people of China; and

(7) the hundreds of performers and individuals who have contributed their time and effort to make this landmark celebration of Chinese culture and the arts a success are to be congratulated.

ORDERS FOR WEDNESDAY, NOVEMBER 2, 2005

Mr. GREGG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 8:30 a.m. on Wednesday, November 2. I further ask that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate resume consideration of S. 1932, as under the previous order.

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

PROGRAM

Mr. GREGG. Tomorrow, the Senate will continue its work on the deficit reduction bill, and under the time agreement, all time will expire at 6 p.m. tomorrow evening. I remind my colleagues to work with the bill managers if they plan to offer amendments. We will complete this bill this week. We will work through Thursday and Friday, if necessary, to finish this important measure. I encourage Senators to be judicious in offering amendments so that we can avoid a multiday vote-arama that will spill into Friday's session.

I remind Senators that we will need to dispose of the Agriculture appropriations conference report this week as well, and we will be slotting in debate time for that probably tomorrow evening.

MORNING BUSINESS

Mr. GREGG. I ask unanimous consent that there be a period for morning business with Senators permitted to speak up to 10 minutes each, with Senator WYDEN permitted to speak up to 20 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object—I do not intend to object—I ask to modify the unanimous consent request to speak for up to 20 minutes, and I would also like to ask, with the leave of the Chair and the ranking minority Member, that Senator NELSON be allowed up to 2 minutes. I think he had one additional comment that he wanted to make about his proposal.

Mr. GREGG. I believe my unanimous consent request was for 20 minutes for the Senator from Oregon, and I will add to that that the Senator from Florida be given 2 minutes.

Mr. WYDEN. I thank the distinguished chairman of the committee. I withdraw my reservation.

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

ORDER FOR ADJOURNMENT

Mr. GREGG. If there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the previous order, following the remarks of the Senator from Florida and the Senator from Oregon.

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

The Senator from Florida.

MEDICARE PART B

Mr. NELSON of Florida. Mr. President, I rise to respond to the Senator from New Hampshire, to point out that the offset to the amendment that would freeze the Medicare Part B premium for senior citizens is not as the Senator from New Hampshire had been led to believe in Medicare Part D, which is the prescription drug benefit. No, the offset is in the new proposed changes to Medicaid that would make Medicaid be distributed through the States through managed care.

Under the current law, the prescription drugs that are available through Medicaid have to be discounted and provided to Medicaid recipients. The new waivers to the States allowing Medicaid to be dispensed through HMOs is going to allow those discounts to go away, and it will be a negotiated item. There is a savings of up to $2 billion if one does not allow that law to be changed so that the discount goes away by law.

Therefore, Medicaid recipients very possibly pay more. It is that savings, by keeping that discount of up to $2 billion, which is the offset that we pay for, keeping senior citizens whole by not raising their Medicare Part B premiums.

The PRESIDING OFFICER. The Senator from Oregon.

AMERICA CAN DO BETTER

Mr. WYDEN. Mr. President, America can do better than making a policeman walking the beat pay a higher Federal tax rate than someone who makes their money on capital gains and dividends. Unfortunately, the Advisory Panel on Federal Tax Reform today

sent to the President a recommendation that will widen the gap between our middle class workers and the fortunate few.

I am a Democrat who believes in markets, I believe in wealth creation, I believe in entrepreneurship, but I also believe in what Henry Ford said. He, of course, was the great industrialist. He made it clear that he wanted to make money and he wanted to do well but he said: For me to make money, my workers have to have enough money to be able to buy my cars.

What concerns me tonight is that the middle class, the folks who are hurting, have gotten short shrift once again from the special advisory panel on tax reform.

These are the folks, the middle class folks, who are walking an economic tightrope, balancing their medical bills against their energy bills, trying to set aside money to save for retirement and health. They are the ones who deserve a break.

I heard mention tonight that Democrats, Senators on my side of the aisle, were not interested in cutting taxes. Well, I proposed last week to cut taxes for millions of middle class people and folks with incomes up to $150,000 by eliminating scores of exemptions, deductions and special interest breaks that exist on both the individual side of the code and the corporate side of the code.

What we saw today is the special advisory panel on tax reform wanted none of that. They did not want to make those kinds of tough choices that step on the toes of special interests, powerful interests with big lobbies. Instead, what they did is take it once again out of the hide of middle income people who would be asked to give up tax breaks and support for concerns such as child care.

When we already have a big gap between those who work for wages and those who make their income on capital gains and dividends, how can it be that it is now proposed to widen that gap?

I think we would be well advised to look back to 1986, when the late President Reagan worked in a bipartisan way with Democrats, both with the Senate and the other body, to come up with a proposal that I think—certainly its foundation would be very appealing now. It makes sure that all income is treated equally. That is what this country has always been about. I do not want to soak anybody. I do not want to discriminate against anybody. But I do not think it is right for workers to have to pay a higher effective tax rate than those who make their money on capital gains and dividends.

Income ought to be treated the same. That is what the country is all about. It seems to me that the advisory panel on tax reform missed a big opportunity today when they widened the gap between those who work for wages and those who make their income from wealth.

If one looks at the tax panel's recommendations, in effect, they throw three strikes at the middle class and they lob softballs to the special interests. The first pitch is a slider that shifts a sizable tax burden away from those at the top to the middle income taxpayers. That is followed by a fast ball that takes away many of the deductions and credits such as those for child care and medical needs that middle income Americans have come to rely on. The third pitch is a change-up. The plan may look revenue neutral, but when it flies across the plate, it adds billions of dollars to the budget deficit and will force middle class Americans and their children to pay for tax cuts for the fortunate few.

Under this special advisory panel plan that was proposed today, the middle class simply strikes out. Certainly, those who are at the top are going to enjoy the grand slam that is offered by the panel's plan. The panel would cut their tax rates, those at the very top, once again and there is not the kind of massive housecleaning of the tax system either.

I proposed in my legislation, S. 1927, the Fair Flat Tax Act of 2005, that everybody pays their fair share, not just cutting the tax rates for the fortunate, making up for it by having the middle class subsidize those tax breaks, but mine would treat all income equally. To carry out our proposal, we include a new, simplified 1040 form, one page, 30 lines, for every individual taxpayer. There are three brackets rather than the current system.

Under my proposal the brackets are 15, 25, and 35, and we create a flat corporate rate of 35 percent. This plan is more fair because it would no longer disproportionately favor the most affluent at the expense of the middle class.

Certainly, the tax breaks that my legislation calls for step on toes. I pay for those middle class tax cuts. The proposal has been scored by the experts at the Congressional Research Service. I pay for the middle class tax cut by eliminating scores of tax breaks that are now in the Code for individuals and businesses. Certainly, some of them are going to object, already have. It seems to me that it is worth it to make a radical statement about tax laws, and that is that America can do better than a two-tiered tax system which forces a policeman to pay a higher effective tax rate than an investor who makes his income on capital gains dividends. What is fair about taxing a firefighter's hard-earned wages at a higher percentage than a corporate executive?

Under the current Federal Tax Code, all income is not created equal, and under what the panel proposed today to the President of the United States, the equality gap between the middle class and the fortunate few is going to grow.

Under the proposal that was sent to the President today, Americans who work for wages would further subsidize the cuts, credits, and deferrals of those who make their money from investments such as capital gains and dividends.

Personally, I think there were other opportunities for innovations that the panel missed. For example, I proposed in my legislation to end favoritism for itemizers. We do that by tripling the standard deduction for single filers from $5,000 to $15,000 and raise the deduction from $10,000 to $30,000 for married couples.

I eliminate the alternative minimum tax, which could snare as many as 21 million Americans in 2006. But instead of forcing middle-class people to pay for that, I go after some of those breaks and exemptions and special interest favors that have made their way into the Tax Code.

I will also say that the panel should have moved to correct a glaring inequity in the current tax system, which is regressive State and local taxes. They were advised about how regressive the State and local taxes have become, but unfortunately they took a pass on dealing with this issue as well.

Under current law, low- and middle-income taxpayers get hit with a double whammy. Compared to the fortunate few, they pay more of their income in State and local taxes. Poor families pay more than 11 percent, and middle-income families pay about 10 percent of their income in State and local taxes, while the most affluent pay much less, only about half that. Because many low- and middle-income taxpayers do not itemize, they get no credit on their Federal form for paying State and local taxes. In fact, two-thirds of the Federal deduction for State and local taxes goes to those with incomes above $100,000.

Under my legislation, the Fair Flat Tax Act, for the first time the Federal Tax Code would look at an individual's entire tax situation. My legislation would look at an individual's combined Federal, State, and local tax burden and give credit to low- and middle-income individuals to correct for regressive State and local taxes. By contrast, the advisory panel that reported to the President today proposes to eliminate the current State and local tax deduction with no credit or other mechanism to address the total tax burden that is paid by individuals in this country. So once again, the panel's approach further skews the overall tax burden toward low- and middle-income taxpayers, with the fortunate few benefiting and the middle class getting hammered again.

The proposal I have made keeps in place the deductions most important for our middle-class citizens and particularly the investments they make—the investments they make in their home, in their retirement, in education—those concerns that are so important to maintaining a middle class in our country.

In contrast to the proposal made by the advisory panel today, my legislation means that the vast majority of

American taxpayers will see a cut, particularly the middle class in our country. The Congressional Research Service has indicated that all Americans, particularly the middle class and those with incomes up to $150,000, will see tax relief. The President's panel, the advisory panel that reported today, itself said that most taxpayers under its plan will not see much difference in their taxes.

We are going to have a battle of ideas. We hear often that there ought to be a debate about specific proposals. Now we have one. The advisory panel that reported to the President of the United States said, by their own analysis, that most taxpayers under their proposal will not see much difference in their taxes.

Under the proposal I have made for a fair, flat tax rate, what is going to happen in this country, according to the independent analysts at the Congressional Research Service, is that millions of middle-class people will get a tax cut, and all Americans with incomes up to $150,000 will see tax relief. Where the panel throws strikes at the middle class, I say it is time to give the middle class a break. I certainly question the fairness of the President further cutting tax rates for those who are the most affluent in this country while the gap widens between those who depend on their wages to support their families.

Finally, to illustrate the contrast, the proposal made by the panel today does nothing to deal with the hemorrhage that we have in the Federal budget. My proposal, on the other hand, according to the Congressional Research Service, makes a real start at reducing the budget deficit and would actually whittle down these budget deficits approximately $100 billion over the next 5 years.

In summary, I am very troubled by the recommendations coming from the advisory panel today because they continue to twist the Tax Code away from equal treatment of all income, widening the chasm between people who get wages and people who collect dividends. I am troubled that it hits middle-class Americans especially hard, but it treats the special interests and the affluent with kid gloves. And I simply cannot find a sound rationale for adding massively to the country's deficit the way the advisory panel would do. Making the Tax Code simpler and flatter is going to help make it fairer. What is really needed is to provide actual, concrete tax relief to the middle class and to treat work and wealth equally. That was what was done in 1986.

I have been asked several times since introducing this legislation, How is anything going to happen now? The advisory panel's proposal probably goes off to the Federal agency on collecting dust, where they send these commission reports that do not get a lot of attention. But I will tell you that I think there is a chance to strike a chord out across the country with the middle class. That was what was done in 1986 when, on a bipartisan basis, President Reagan and several leading Democrats said, as I am suggesting tonight: America can do better than to tax the middle-class person's wages at a higher rate than it does the people who make their money on capital gains and dividends. If it was good enough for Ronald Reagan in 1986, I think it ought to be pretty appealing to this Congress tonight and in the days ahead.

Now that the debate has been joined, we have the advisory panel's proposal which shows again what their priorities are, which I have outlined tonight. I think they are unfortunate. The legislation I have authored would give significant tax cuts to middle-class folks by eliminating scores of exemptions and deductions and would reduce the Federal deficit at a time when these budget books are hemorrhaging.

The debate is joined. There are two clear alternatives, two clear approaches to this issue of how to approach tax reform now on the table. I look forward to the debate. It is my hope that the Congress, as was done in 1986, can decide this is time to cleanse the Tax Code. Ever since 1986, one break, one exemption, one deduction after another has been added to the Code. Unfortunately, not many of those breaks went to the middle class. They did go to the fortunate few. Now we have a budget deficit that is hemorrhaging and a middle class that is hurting.

Folks want to know what the difference is between the various parties with respect to tax reform. The difference could not be clearer tonight between what I have proposed, a Fair Flat Tax Act, and what the advisory panel proposed this afternoon. I hope the Senate can come together, as was done in 1986, and cleanse the tax system again, since that exercise has not been pursued in 20 years. It can be done on a bipartisan basis as was done in 1986.

I look forward to working with colleagues. I serve on the Finance Committee where such a debate will start. I look forward to working with colleagues on a bipartisan basis.

I yield the floor.

## ADJOURNMENT UNTIL 8:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 8:30 a.m. tomorrow.

Thereupon, the Senate, at 8:23 p.m., adjourned until Wednesday, November 2, 2005, at 8:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate November 1, 2005:

### FEDERAL RESERVE SYSTEM

BEN S. BERNANKE, OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN YEARS FROM FEBRUARY 1, 2006, VICE ALAN GREENSPAN, TERM EXPIRING.

BEN S. BERNANKE, OF NEW JERSEY, TO BE CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR A TERM OF FOUR YEARS, VICE ALAN GREENSPAN.

### DEPARTMENT OF STATE

STEVEN ALAN BROWNING, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC UGANDA.

JEANINE E. JACKSON, OF WYOMING, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BURKINA FASO.

### IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES COAST GUARD RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

*To be rear admiral*

REAR ADM. (LH) JOHN C. ACTON, 3694

## WITHDRAWALS

Executive message transmitted by the President to the Senate on November 1, 2005 withdrawing from further Senate consideration the following nominations:

ROGER FRANCISCO NORIEGA, OF KANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING SEPTEMBER 20, 2006, WHICH WAS SENT TO THE SENATE ON JANUARY 4, 2005.

ROGER FRANCISCO NORIEGA, OF KANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING SEPTEMBER 20, 2006, WHICH WAS SENT TO THE SENATE ON FEBRUARY 14, 2005.