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Senate

The Senate met at 8:30 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.

Eternal Spirit, remind us that the things that unite us are stronger than the forces that divide as You give us discipline for today.

Help us to discipline our desires, that we will live without regrets.

Help us to discipline our appetites, that we will avoid the pitfalls of self-indulgence.

Help us to discipline our speech, that our words will build up and not tear down.

Help us to discipline ourselves in our work, that we will focus on pleasing You.

Help us to discipline ourselves in our pleasure, that we will honor You even with our laughter.

Help us to discipline even our thoughts, that the meditations of our hearts will be acceptable to You.

Strengthen the Members of this body with the discipline to do Your will.

We pray this in Your strong 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, the 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 assistant legislative clerk read as follows:

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

Pending:

Gregg (for Frist/Gregg) amendment No. 2347, to provide amounts to address influenza and newly emerging pandemics.

Conrad amendment No. 2351, to fully reinstate the pay-as-you-go requirement through 2010.

Enzi modified amendment No. 2352, to provide elementary and secondary education assistance to students and schools impacted by Hurricane Katrina and to lower origination fees.

Lincoln amendment No. 2356, to provide emergency health care and other relief for survivors of Hurricane Katrina.

Inhofe/Chambliss amendment No. 2355, to cap non-defense, non-trust-fund, discretionary spending at the previous fiscal year's level, beginning with fiscal year 2007.

Nelson (FL) amendment No. 2357, 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.

The PRESIDENT pro tempore. Under the previous order, the time until 6 p.m. shall be equally divided between the Senator from New Hampshire, Mr. GREGG, and the Senator from North Dakota, Mr. CONRAD.

Mr. REID. Mr. President, I know the majority leader is here to be recognized. I ask through the Chair to the distinguished majority leader if I could be recognized for a minute or two prior to his recognition. I know he has a right to do that.

Mr. FRIST. Mr. President, I would be happy to yield.

THE CHAPLAIN'S LOSS

Mr. REID. Mr. President, simply what I want to say is we have our Chaplain, whom I have grown to care a great deal about. He is part of the Senate family. He counsels, he prays for us every day. He suffered a loss in his family in recent hours; he lost his brother. I want him on behalf of his Senate family to know our thoughts go out to him. I wish I had his ability to counsel and speak with him as he does with all of us. All I can say is my thoughts are with him and, recognizing his strong faith, I know he will pull through, but I know it will be difficult.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning we will be getting an earlier start than normal in order to resume the deficit reduction bill. Senators GREGG and CONRAD have agreed to an order for the next couple of amendments. We will continue to debate throughout the course of the day. At 6 p.m. all time is expired under the order. The Senate will then debate the Agriculture appropriations conference report under the 2-hour time limit reached last night. The vote on that conference report will not occur this evening and we will set the time for that vote later.

On Thursday morning we expect to come in early and begin the voting sequence with respect to the pending amendments to the deficit reduction bill. When the pending amendments are disposed of, it is in order for Members to offer additional amendments. However, no debate is in order and we would immediately vote on those amendments. This is what we call affectionately—maybe not affectionately—the vote-arama. I urge my colleagues to show restraint throughout the course of both today and tomorrow with regard to the number of amendments we are going to be voting on. It is going to be an extremely long day tomorrow with consecutive votes and Senators will not be able to wander far from the Chamber. We want to stay within the time limits for those votes in order to expeditiously deal with

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

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each and every one of them in an efficient way. We will be finishing this bill either tomorrow around 6 o'clock or Friday morning, depending on how many votes we have.

Mr. President, I think at this juncture I yield the floor.

The PRESIDENT pro tempore. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, for the information of our colleagues, Senator GREGG and I entered into a unanimous consent agreement that the first amendment to be considered today will be the amendment on the Alaska National Wildlife Refuge. The time will be controlled by Senator CANTWELL on our side.

The second amendment will be an amendment by Senators GRASSLEY and DORGAN on payment limits. The third amendment today will be an amendment by Senators LOTT and LAUTENBERG on Amtrak.

I want to say to my colleagues, given the events of yesterday, our schedule has been somewhat altered. It is going to be exceedingly difficult to get debate time on all of the remaining amendments, even the significant amendments. We have previously agreed that we will end debate at 6 p.m. today and then tomorrow go into a sequence of votes on the remaining amendments. So I say this by way of urging colleagues to show restraint with respect to the use of time so a maximum number of amendments can be considered and debated.

With that, I yield the floor.

The PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, we will be going to ANWR here in a second, and then we will go to the Grassley-Dorgan amendment, and then the Democratic leader of the bill will, I presume, compose an amendment and then we will go to the Lott amendment on Amtrak. Is that the understanding?

Mr. CONRAD. Yes. We have a unanimous consent agreement that is in place with respect to CANTWELL, GRASSLEY, LOTT.

Mr. GREGG. But the understanding is we should put somebody in——

Mr. CONRAD. With the understanding we will try to insert an amendment in between the second and third.

Mr. GREGG. As a matter of fairness, that is the only way to approach it.

At this time the Senator from Washington is ready to go and we can proceed.

The PRESIDENT pro tempore. The Senator from Washington

AMENDMENT NO. 2358

Ms. CANTWELL. Mr. President, I send an amendment to the desk.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Ms. CANTWELL], for herself, Mr. FEINGOLD, Mr. DAYTON, Mr. LIEBERMAN, and Mr. KERRY, proposes an amendment numbered 2358.

The amendment is as follows:

(Purpose: To strike the title relating to the establishment of an oil and gas leasing program in the Coastal Plain)

Beginning on page 96, strike line 16 and all that follows through page 102, line 8.

Ms. CANTWELL. Mr. President, I rise in support of my amendment that I think would reverse efforts to manipulate the budget resolution process to pass what I believe is a controversial energy policy. This policy is so controversial it doesn't even meet the bar for what I think is reasonable legislation. It couldn't even gain the 60 votes needed in this body.

I think it is important that we have a continued debate on drilling in Alaska that meets the environmental and permit processes that any drilling in America would have to meet. And that is not what we are discussing in the underlying bill.

My amendment is cosponsored by Senators FEINGOLD, DAYTON, LIEBERMAN, KERRY, and others, and would prevent oil and gas exploration and drilling within the pristine Arctic National Wildlife Refuge.

I appreciate that this debate over the Arctic Refuge coastal plain has continued for more than 2 decades. I know the Presiding Officer and my other colleague from Alaska have spent many hours on this legislation. But this issue has continued to stir the passions of many and polarized communities across our country. That is because this debate is more than just about the Arctic Wildlife Refuge. It is not simply about protecting one of America's last remaining great treasures. Rather, it is a debate that forces us to confront our priorities. It forces us to ask basic critical questions: Where do we go from here on the future of our energy policy? What inheritance do we want to leave our children from an environmental perspective?

We all must realize that God only granted the United States less than 3 percent of the world's remaining oil reserves and we as Americans need to do more with our own ingenuity to become less dependent on foreign oil.

Imagine a future where we don't turn a blind eye to oppressive regimes in the Middle East only because they happen to control the majority of the world's remaining oil reserves, or a future where Americans can drive hybrid or hydrogen-powered SUVs that get 40, 50, or even 100 miles per gallon. That is how we want to see our future. That is how we are going to save consumers who are being hurt at the gas pump today by these unbelievably high prices.

In the future we want Americans to have the opportunity to enjoy and appreciate this unique part of Alaska. That is why I believe the amendment I am offering today talks about our national priorities. That is why this is too important a question to slide into the budget bill. This bill circumvents the processes for permitting and environmental safeguards.

It is ironic that if this legislation passes we will actually be opening up drilling in a wildlife refuge with less protections than any other drilling in any other site in America. So instead of going to greater extremes to protect a particular wildlife refuge, we are going to have the weakest standard. The American people expect more.

I hope my colleagues appreciate that there are many flawed assumptions inherent in this drilling proposal. The simple act of putting a policy on a budget bill itself, I believe, is disingenuous.

But that is not all because section 401 will almost certainly never raise the $2.4 billion that drilling proponents claim it will. That is because the measure presumes to generate these funds by splitting revenues between Alaska and the Federal Government on an even 50–50 basis. But I think my colleagues might be surprised to learn that this 50–50 legislative language may not hold up in court. We just don't know right now. We do know the State of Alaska has long maintained it is due 90 percent of all the natural resource development revenue generated from Federal land within its boundaries, and we know this remains a controversial issue. Some have suggested this proposed 50–50 split in this legislation is merely a ploy to win passage. Some have suggested that once it passes, it will be followed by a court battle from the State of Alaska to force the Federal Government into a 90–10 split of revenue. So this $2.4 billion the United States might receive would be a much different picture.

My colleagues may be interested to know that even in June of this year, the Alaska legislature passed a joint resolution. It stated:

The Alaska legislature opposes any unilateral reduction in royalty revenue from exploration and development of the coastal plain of the Arctic Wildlife Refuge in Alaska and any attempts that could coerce the State of Alaska into accepting less than 90 percent of the oil, gas, and mineral royalties from Federal lands in Alaska that was promised at statehood.

That is something that was passed by the Alaska legislature, showing us they have every intention to fight for a 90–10 split.

Later this week I will also offer an amendment that will get at this issue of trying to guarantee a 50–50 revenue split. I hope my colleagues will be recorded on that amendment and show they truly intend to have a 50–50 split and that this not just a ploy in which later the revenue scheme is changed.

I am also concerned that many Senators may not support my amendment because they believe drilling in the refuge can be done in an environmentally benign way. They actually believe we should move forward because they think drilling in ANWR can be done in a way that is environmentally sensitive.

I think they are wrong. There is no real way to sugarcoat the fact that the oil company records on the adjacent

Prudhoe Bay have been shameful. The facts speak for themselves.

According to the Alaska Department of Environmental Conservation, the Prudhoe Bay oilfields and Trans-Alaska Pipeline have caused an average of 504 spills annually—annually—on the North Slope since 1996. Through last year, these spills included more than 1.9 million gallons of toxic substances, most commonly diesel, crude oil, and hydraulic oil. It takes one spill to permanently destroy a section of this fragile arctic ecosystem. The people know this.

To quote an official from the North Slope city of Nuiqsut:

> Development has increased the smog, haze, and is affecting the health and the beauty of our land, sea, and air.

I can only imagine how devastating that must be for someone whose culture and experience is so invested in the vast open spaces and abundant wildlife.

The news media has reported widely on these issues of oil spills. 2 weeks ago, the Wall Street Journal, and many other papers, have reported on some serious allegations. They have uncovered evidence that indicates there has been intentional dumping of untreated toxic mud, a dangerous contaminated byproduct common to Arctic drilling.

We have seen reports that the owner of an alpine field was forced to pay an $80,000 fine for releasing 215 tons of excess carbon monoxide annually. And, yes, this is the same field that some of my colleagues visited last March, along with the Secretaries of Energy and the Interior. Yet it is not the pristine area. There is already evidence of pollution in that area. This is the same field my visiting colleagues characterize as the cleanest in the world. And I note the Alpine field is just 8 miles from Nuiqsut.

I also want the American people to know that the tradeoff for destroying our Nation's last great wild frontier will not be relief from skyrocketing gas prices. Our sacrifice will do little to decrease our reliance on foreign oils from countries that don't have our best intentions in mind. Here is why. The Energy Department's latest analysis estimates that even when the refuge oil hits peak production 20 years from now, it will lower gas prices by just one penny. A penny, Mr. President. That is not an estimate that I have come up with, that is the Department of Energy's own estimate.

That is not very impressive considering the fact that the constituents in my State of Washington are now paying twice as much for a gallon of gas as they did just 3 years ago.

I also urge my colleagues to vote for an amendment that my colleague from Oregon plans to offer. This legislation would prevent any of this oil from going to foreign markets, such as China. Senator WYDEN has pointed out to us and many others, including those in the State of Oregon, that there is no guarantee that the Arctic Refuge oil would ever be used in the United States.

So if my colleagues think if we pass this legislation that somehow it is going to help the United States in the crisis we are in now, the Department of Energy analysis of the very little effect and the fact that this oil will not be kept in the United States are two reasons to support my amendment instead.

Mr. President, the American people feel strongly about drilling in the refuge and other protected areas of our country. They want to know that the Senate is working to pass appropriate legislation that manages these unique areas in a forthright and open manner. Our Nation must continue to preserve and protect the entire Arctic National Wildlife Refuge.

I understand that some of my colleagues believe it is appropriate to sacrifice this area for what will amount to about 6 months' oil supply, but I think all Senators today agree that these are questions that are not part of a budget policy. They are more fundamental about the discussions of what our national energy policy should be and the future of our country.

I hope my colleagues will also begin to finally start focusing on energy policies to diversify off fossil fuel, to recognize that God gave us only 3 percent of the world's oil reserves and that the best interest of the United States is to diversify off fossil and plan for a future that lowers gas prices, plan for a future that makes us more secure on an international basis.

Mr. CONRAD. Will the Senator yield for a moment?

Ms. CANTWELL. Yes, I will.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. May I inquire, has the amendment been submitted?

The PRESIDENT pro tempore. The amendment is currently pending.

Mr. CONRAD. The ANWR amendment has been submitted. Are we taking time off the amendment?

The PRESIDENT pro tempore. Yes, we are.

Mr. CONRAD. We are taking time off the amendment. I thank the Chair. I excuse the interruption.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. DOMENICI. Is the Senator finished? I notice she is still standing.

The PRESIDENT pro tempore. Does the Senator from Washington maintain the floor?

Ms. CANTWELL. Mr. President, I don't know what the agreed-upon order is this morning, whether we are supposed to use an entire hour or if we are going back and forth. I am happy to have the debate go back and forth and yield to my colleague.

Mr. DOMENICI. I don't think there is any agreed-upon order.

The PRESIDENT pro tempore. The Senator from New Mexico is correct, there is no order pending.

Mr. DOMENICI. Is it correct that the Senator from New Mexico may proceed on the hour in opposition to the amendment at this point?

The PRESIDENT pro tempore. The Senator is correct, if the Senator from Washington yields the floor.

Ms. CANTWELL. I do.

The PRESIDENT pro tempore. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have a number of Senators on this side of the aisle who wish to speak, and they certainly are going to have their turn. I thank the occupant of the chair for being here this morning.

Obviously, this is an issue that some people think is very important to the State of Alaska, and there is no question that it is. But this is an issue that is important to the American people. Every day Americans are worried about our future. We just saw hurricanes in the States of Alabama, Texas, Louisiana, and Mississippi shut down oil production in that part of the Nation. All of a sudden, America found out that when we have that much less oil—the amount that the hurricanes took off the market—everything happens for the worst for America.

I want to start with a simple proposition. The minimal amount expected to be received by the U.S. people from ANWR is about equivalent to all of the oil that was shut down by the hurricanes. Just think of that. Everybody was listening to televisions were talking about and, newspapers were printing all of the oil rigs onshore and offshore that produce energy for America that were shut down causing this enormous problem for America. One estimate is that ANWR will yield that much oil or more, which is a pretty good starting point.

I am not going to go into much detail about this ANWR language that was produced by the Energy and Natural Resources Committee in response to a budget request made by the full Senate, and I am not going to talk about the $2.5 billion estimate, other than to say I do not believe anybody is going to challenge it successfully before the Senate. It has been arrived at by the Congressional Budget Office, the authenticator of numbers for the Senate. That number is not dreamt up. This is not the White House, this is not the Energy Committee, this is not the Alaskan Senators; this is the Congressional Budget Office, an independent entity that is supposed to do estimates that we assume should be used by us.

They say the legislation, as drafted, will produce at least $2.5 billion over the period of time recommended by the budget instructions.

That makes it relevant to the budget reduction bill that is before us. It will, when it happens, because of the bids that will be made, reduce the deficit by $2.4 billion. That makes it relevant to a big deficit reduction package of all of the actions that exceeds $39 billion.

Having said that, let me then say, since it is important and it is relevant

and it will yield revenues to the Federal Government, the next point I wish to make is how many votes are going to be required to pass this ANWR legislation. This is a majority-vote situation. Some say: Oh, this is not the right way to do it. We should leave it under what they call the normal proceedings. Normal proceedings would, I say to the opposition, require 60 votes, and we have done something that will only require a majority vote.

I ask the American people who are listening and those who are concerned about this, What do you as Americans expect the Senate to do when they are voting on a measure that affects the American people? Since your first and early days of being educated about the American system, did you not assume that a majority of Senators voting would pass a measure in behalf of the American people? Isn't that what we thought was the rule, 51 votes wins? They say: No, you shouldn't let this great reserve of oil that belongs to us, that we ought to use, you shouldn't let 51 votes pass it. You ought to use 60 votes under some filibuster rule.

The rules of this Senate say you do not filibuster this kind of bill. You go back to the old American way of voting, and 51 votes prevail.

I hope, finally, after decades of work, that we are rid of the 60-vote impediment to getting these assets, these reserves, these resources opened up for our people, and we are back to the old-fashioned 51-vote approach, and that finally America will say: These are our resources, they belong to us, and we ought to go up there and, under as strict environmental laws as can ever apply, because they are the American laws, produce oil there.

To put it in perspective as to how much property we are going to affect, if this bill, as propounded by the Committee on Energy, is passed by this Senate, we will use up to 2,000 acres. It will not be in one place. It will be in various places, but it will be 2,000 acres.

Mr. President, that is 2,000 acres out of a refuge that is being talked about regularly as something that we should preserve and keep for posterity, and this Senator—and I believe everyone who favors ANWR—says: Amen, preserve it.

How big is it? It is 19 million acres. And 2,000 acres, I say to the Senator from Illinois, are going to be used. The refuge is 19 million acres. I don't want to draw conclusions from that. People can see themselves, 2,000 acres. Or can they? I guess you can't even see it. Mr. President, 2,000 acres out of 19 million acres is hardly visible.

We can see the Arctic National Wildlife Refuge on this chart. The ANWR Coastal Plain is in green. The proposed development is that little tiny red square. I don't know if the TV cameras are good enough to see it, but that is the 2,000 acres, 3.13 square miles. It is on the green piece on the chart. That is the size of a piece of real estate out of that entire area—the green, the yellow, and the orange—that will be used for the production of oil out of ANWR.

I cannot believe the American people—if they understand after this debate is finished that that is what we are talking about—could conceivably believe that this vote should fail today and we should continue to say: Everything is wonderful in America. We can get our oil from Saudi Arabia. We can get it from Mexico. We can get it from around the world. But don't bother to get it from America. It is just not what we ought to do.

This country of ours has become dependent on our own States getting 80 percent of our oil from four States: Texas, 22 percent; Louisiana, 21 percent; California, 18 percent; and Alaska, 20 percent. That is just the way it is.

So, fellow Americans, our future, as far as American production, is tied to those States. We do have some new finds in the West, and they are exciting, but they are not going to be anywhere close to this.

Incidentally, mentioning Texas, some people say this is not very much oil. I heard somebody mention that the 10 billion barrels that are going to be produced there is not very much. Let me tell you how much it is: It is equal to the reserves of Texas. So for those who think it is not very much, maybe we ought to say to the American people the entire production of Texas is not very much. Maybe we could say we don't need the oil from Texas. If we go out there and find we don't like the way it is produced, just shut it down. It isn't important. There would be absolute turmoil in this country if somebody said, Take the oil from Texas and close it down, we don't need it; it is just what Texas produces, and we don't need it.

So the American people understand, when this 2,000 acres is producing, it is estimated by reliable estimators that it will cause the reserves under the ground to be the equivalent of those in the State of Texas. That is a pretty big piece of the oil future of the United States.

Let me talk a minute about a couple of other things that happen when you open ANWR. First, in the United States these days, we are all wondering what is happening to American jobs. How come everything is going overseas? How come the American working man, the American construction worker who used to make good money—how come there is not enough work in that field? How come big construction projects are not being done here anymore? How come it is just reported that out of the over 400 chemical plants that are worth more than $1 billion, each that is being built in the world, one of them is being built in the great United States of America and the rest of them all over the world? We are asking ourselves, What is happening to our country? What is happening is we do not develop our own resources, and thus they are developed elsewhere and there are no jobs in America to produce what we have.

I have another chart here behind me, and then that will be all that I will use. This is one prepared by the Wharton School. Some will say, and I will answer before they do, that this chart was produced a few years ago. It was. But do you know what Wharton School did when they produced it years ago? They used $55 a barrel. People on the floor of the Senate said: Throw it way. At $55 a barrel, they have to be wrong. We just asked them 2 years ago: Would you please bring it current? They said: Now we know we are right. We estimated $55, and I will tell you today it is $59-plus on the market in the United States. So the Wharton study is certainly as good as we can get.

Look what it says. If you develop ANWR, the United States of America, for Americans, will produce 128,000 manufacturing jobs; mining, including oil—all high-paying jobs—84,000; trade, 225,000 in various trade activities; the service industry, 145,000; construction per se, 135,000; and then a combination of finance, real estate, and others, which is that FIRE, 19,500. The total is 736,000 jobs.

Has anybody produced such a bill on the floor of the Senate? We say let's have a jobs bill. We introduce a bill to train people who are unemployed so they can go to another job. We introduce a bill that says when people are laid off, we will train them for another job, and this will produce a big number of jobs. Has anybody ever introduced a bill, had a proposal, made a suggestion, argued in favor of—anything on the floor of the Senate that could produce 736,000 jobs, new jobs for the people of the United States? Of course not, because we do not produce jobs in the Senate. We don't produce them with bills, either, job training bills. We produce them when we do things or eliminate things that cause entrepreneurial investment activity that produces wealth, and with wealth, jobs.

That is what we have here, no doubt about it. At $50 a barrel, which is the Wharton study, that is what it will yield. Anybody who thinks that by the time we get to ANWR it will not be $50 a barrel and it will not yield this I believe is hiding under their Senate desk as they vote no here in the Senate as far as ANWR is concerned.

Having said that, I want to take 3 minutes and tell the Senate about an experience I had. I went to Alaska, after many years. My friend, the occupant of the chair, and our new Senator from Alaska recently pushed me to do it. I went in about March of last year. It was awfully cold. I know that. I have one great picture—I cannot believe I survived.

But what I saw, every Senator who is against this proposal ought to honestly go see what is going on. There is one production pad called Alpine. In its completed stage, it is 60 acres of property. In its completed stage, it is 60

acres. On that 60 acres is the production capacity for 150,000 barrels a day. Got it? That is 150,000 barrels a day. The 60 acres, when we saw it, was solid ice. It had oil wells on it that were drilled, many of them, in less than 1 year, all close together, many of which were vertical and horizontal, meaning you drill a well down and then go out sideways and you go out for 3 or 4 miles, 5 miles. When we get around to ANWR, they are going to be drilling out 10, 15, 20 miles. So from one piece of real estate which we are worried about we will get literally scores of underground wells producing oil that is coming to the surface, unified, and then put in a distribution facility and delivered.

All of that work will be done in the dead of winter—the trucks, the tractors, the moving things, the supplies, all come on winter roads. We were there, so we could see the winter roads.

When the summer comes, the ice melts, the roads disappear, the tundra is right back where it was, and Alpine, the 150,000-barrel production wells are there, covered by whatever covers them from the weather, and out comes a spout from which the oil goes on stakes that hold up the pipeline, and there it is, delivered to a source to go to be used by Americans as they need oil to live, survive, make a living, and keep up their standard of living.

Some say we should not be dependent upon crude oil and carbons in the future. I submit there is nobody suggesting that we know how to get off of the transportation system we are currently using, in the short term. We are going to be on that for some time, even when we engage in the largest program we can, in terms of new ways to get our mobility, whatever it is—maybe hydrogen engines. It is going to take us many years, during which time we are going to import oil from overseas in huge quantities and send American bounty to foreign countries, greatly increasing our foreign trade balance, by the billions of dollars, all because we send our money overseas to acquire oil.

I beg the Senate to once and for all do the right thing regarding our future. Say no to sending more of our resources overseas. Say no to fewer jobs for the American people for the future. Say yes to the unions of the United States that represent these workers who are here en masse, begging us to pass this so they will have jobs. Say yes to American business that is frightened about our competitive future, and say at least we are going to take one step forward, not another step toward complacency, toward not caring about our future and standing on principles that are not applicable today.

We know how to drill for oil without damaging the tundra, without damaging the surface to any significant degree. We ought to say yes, today, to a very good budget reduction bill which in its totality will reduce the budget $39 billion—not a little pittance—of which ANWR will yield $2.5 billion. That is not too shabby a number.

It will require 51 votes for those who want to take this out. In the end, we will need 51 votes to pass the bill. I believe that is fair. It is such a huge resource for America. It should be passed or denied not by 60 votes but by 51 votes, the majority vote in the United States. Argue as you may in opposition to this. This is not the way to do it. Then what do you say the way to do it is? To require 60 votes? Who ever heard of that as an American principle? That is a procedure that does not apply here. The Senate has said it doesn't apply here. The old American way of 51 votes applies, and that is why we are here.

I want to close in one rebuttal. We are going to hear a lot that this oil doesn't do much. Whenever the amount of oil produced is equated to the total American picture, I want to answer it this way: Accepting a mean calculation of 10.4 billion barrels of oil in ANWR, it would supply every drop of oil for the entire State of Florida for 29 years. Hear that, the entire State of Florida for 29 years; the entire State of Arkansas for 146 years; Hawaii, 249 years. We will not be using oil that long, but people should surely get an idea that this is a pretty significant resource for our country.

I thank all those who helped put this bill together in our committee. I hope sometime during the day we will have a vote and it will be a vote where we say, for a change, we believe in America's future and we are going to do something about it.

I yield the floor.

The PRESIDENT pro tempore. Who yields time? The Senator from Washington is recognized.

Ms. CANTWELL. Mr. President, I am going to yield to my colleague, Senator FEINGOLD. Before I do, I point out there is a misrepresentation that somehow drilling in ANWR only covers a small area. Drilling in the refuge will really create a spider web of industrial activities over the entire 1.5 million acre coastal plain, so it is much larger than just a small footprint.

This legislation might also open up nearly 100,000 acres of native land on the Arctic coastal plain. So it is a much bigger impact than my colleague might have commented on. I want to make sure that point is clear.

The other issue is, I don't think there is anybody in America who still believes our future and the future security of America depends on fossil fuel. I have seen the television commercials from the oil industry. Even they are always talking about the future, and alternative fuels, and what they are doing to diversify our nation's energy supplies. I certainly hope they hurry up and do that because the high price we are paying at the pump and their exorbitant profits are not leading us to a better economic situation in America.

But at the same time, I don't think Americans believe our investments in the future should be about fossil fuel, they should be about diversifying to cleaner, more fuel free supplies. Instead we are now asking them to open up the Arctic National Wildlife Refuge for a very small amount of oil.

My colleague talked about a large number of jobs that may result from this. However, we have all heard the expectations for an energy economy of the future that invests in alternative fuels and various renewable energy sources. Some of those job investments can be more than 3 million jobs in America.

That is the energy economy that we want to see—not holding on to the past and exorbitant energy costs which the Department of Energy says is only going to give us a 1-penny reduction in gasoline prices—to get off fossil fuel.

I yield to my colleague from Wisconsin 7 minutes.

The PRESIDENT pro tempore. The Senator from Wisconsin is recognized for 7 minutes.

Mr. FEINGOLD. Mr. President, I rise in strong support of Senator CANTWELL's amendment to strike section 401 from the budget reconciliation bill. I thank her for her dedication to protecting the Arctic Refuge, for her great deal of work over the years on this very important issue, and especially for her leadership today.

As I have said numerous times, I am deeply disappointed that the budget process is being abused to open the Refuge to oil and gas activities.

The Senator from New Mexico said he is going to hear Senators come out and say this isn't the way to do it. He is right. This isn't the way to do it. I have tried to make this point in the Budget Committee for 2 years. This isn't the way to make policy relating to energy, and I deeply regret that we have to be out here on the floor dealing with this. It should have been disposed of in the Budget Committee, as it is a matter not appropriate for this setting.

Drilling in the Arctic Refuge is something that has been, and should continue to be, discussed in an open debate instead of as part a back-door maneuver. This is a debate about energy and environmental policy, as everybody knows. This is not about the Nation's budget. I believe that this back-door tactic is an abuse of the reconciliation process. It reflects poorly on this body, Mr. President, and invites greater mischief down the line.

Sadly, regardless of when or where we have this debate, we have it because of a failure, most recently encapsulated by this administration's flawed Energy bill, to provide the American public with an energy policy that actually looks to the future. There is no doubt that we, as a nation, face tough questions about our energy policy. However, it is clear that offering the Refuge as the solution points us in the wrong direction. Drilling in the Arctic National Wildlife Refuge is a short-sighted sacrifice of one of America's greatest natural treasures, all for a supply of oil that may not last more than a year, would not be available for

many years to come, and, as the Senator from Washington pointed out, would decrease gas prices by only a penny at its highest production. Instead of such a backward plan, we need a forward-looking national energy policy that responsibly moves away from our dependence on a finite resource such as oil and toward greater energy independence. I regret that the administration's only answer to our energy crisis is to attempt to drill their way out of it.

Beyond my objection to the abuse of process and to the failure of our energy policy, I have several concerns about the specific language included in this bill.

First, I have grave concerns that we are basing our revenue assumptions on false financial pretenses. To achieve the $2.4 billion required by the budget reconciliation, which, for comparison purposes, is equal to 3 weeks' worth of ExxonMobil's 2005 third quarter profits, we are proceeding on the assumption that companies will bid an average of $3,333 for each and every acre of the 1.5 million acres of Coastal Plain of the Arctic Refuge. However, over the last 15 years, bonus bids for acreage on Alaska's North Slope have averaged approximately $60 per acre, which is 98 percent less than what is required for purposes of this budget reconciliation. Assuming the leases on areas with unknown deposits will sell for more than 50 times the historical average is just plain fiscally irresponsible. Fundamentally, the reality of the leasing situation does not seem to coincide with the revenues we assume today.

Second, supposing that the revenues actually do reach the presumed level, the U.S. Treasury, and the U.S. taxpayer, may never see the money associated with opening the Refuge.

Both the State of Alaska and the Alaskan delegation have made it clear that the State is likely to sue to receive 90 percent of the leasing revenues instead of the 50 percent stated in this language. In fact, this spring, the Alaska legislature passed a resolution that said they opposed ''any attempt to coerce the State of Alaska into accepting less than the 90 percent of the oil, gas, and mineral royalties from the Federal land in Alaska that was promised to the State at statehood.'' The Alaskan resolution makes it clear, as I have stated before, that the debate over the Refuge is about energy policy and not about the budget, and it doesn't belong in the budget reconciliation package which is before us today.

Finally, the language included in this bill fails to grant the same fundamental protections to the Arctic Refuge as we grant to every square inch of the other Federal lands on which drilling occurs. Why does the bill fail to provide the Arctic Refuge with fundamental environmental protections? Simply because the Energy Committee argues that the Federal Government can meet the budgetary time constraints only by ignoring the established laws of the land. By slashing environmental protections so that they are lower than on any other Federal land, we are all but guaranteeing that the Coastal Plain will suffer unnecessary, preventable, and irreversible damage. This is no way to treat the crown jewel of our National Wildlife Refuge System.

Mr. President, the language of the underlying provision is based on risky lease bid assumptions, it leaves the door open to diminished Federal revenues, and it gives the Refuge fewer environmental protections than all other Federal lands that produce oil. It has no place in this reconciliation bill, and I strongly urge my colleagues to support Senator CANTWELL's amendment.

The PRESIDENT pro tempore. Who yields time?

Ms. CANTWELL. Mr. President, I yield to the Senator from Connecticut 3 minutes.

The PRESIDENT pro tempore. The Senator from Connecticut is recognized for 3 minutes.

Mr. LIEBERMAN. I thank the Chair and my colleague from Washington. I rise to support her amendment.

Mr. President, once again we are here on the floor of the Senate debating opening up the Arctic National Wildlife Refuge to drilling—a debate that began in 1985 and that has always been answered before now with a definitive ''no'' on this Senate floor.

Today's debate is on a motion to strike language permitting drilling that has been placed in the budget reconciliation bill—a back-door maneuver to avoid true, unlimited debate on a decision whose consequences will echo for generations with the fracturing of a unique ecosystem.

The language in the Budget Reconciliation Act fails its own two tests for success. It will not raise significant revenue for the Treasury and it will not lead us to energy security.

This is both the wrong way to make this decision. And it is clearly the wrong decision to make.

I strongly urge my colleagues to vote for the motion to strike. If this vote fails—and drilling is approved—then for that reason alone, I will vote against the Reconciliation bill.

Let me begin by explaining why it is wrong to even be debating drilling in the Arctic Refuge in the context of this reconciliation bill.

This past summer we debated and passed comprehensive energy legislation. Drilling in the Arctic Refuge was not even brought up in that thousand-page bill that we were told represented comprehensive energy policy.

The fact that the Senate spent no time whatsoever debating drilling in the Arctic Refuge as part of energy legislation, but now deals with it in budget legislation, tells us everything we need to know about the motive of its proponents.

They know they don't have the votes needed to authorize drilling if this proposal came to us in a proper debate in the proper context and are using this device of the reconciliation bill to get around Senate rules.

Is there anyone in this Chamber who believes that the purpose of this provision is to generate revenue for the budget? That in the context of a $2.6 trillion budget, we must force the opening of a wildlife refuge to get $2 billion in new revenue over 10 years? Of course not.

The real purpose of this provision is to frustrate the rules of the Senate—rules that protect the minority and the process of judicious deliberation—in order to jam through a provision through reconciliation that its proponents have been unable to pass for years.

Section 401—the Arctic Refuge Title of the reconciliation bill—flagrantly usurps the jurisdiction of the Environment and Public Works Committee, EPW.

EPW has sole jurisdiction over matters relating to the U.S. Fish and Wildlife Service and the management of the National Wildlife Refuge System—as well as over the National Environmental Policy Act of 1969, NEPA, and the National Wildlife Refuge Administration Act of 1966.

For example, the title would virtually preclude the National Environmental Policy Act's requirement that environmental impact assessments be performed before any leases can be granted.

Also, section 401 short circuits the all-important determination that the Fish and Wildlife Service is required by the National Wildlife Refuge Administration Act to make that drilling is compatible with the purposes of the refuge.

I ask my colleagues to consider that if this procedural sleight-of-hand can be used to stymie open and unlimited debate on drilling in the Arctic Refuge, what other areas now closed for drilling will be opened up under the pretext of generating Federal revenue?

The Great Lakes? Our coasts?

And what will we get in return for putting this fragile Arctic wilderness area at risk? Will we achieve energy independence?

No we certainly won't.

The Energy Information Agency tells us that peak production in the Arctic Refuge will be fewer than 1 million barrels per day. And that peak will not be reached until 2025 at the earliest.

At that point, if we continue our current oil-consumption trends, the refuge will be contributing no more than 4 percent of U.S. oil consumption.

Meanwhile, 70 percent of our oil needs will be met by imports, with our national security and economy remaining every bit as vulnerable to the economic dynamics and geopolitics of the global oil market as it is today.

If we were serious about facing up to the reality of our energy security challenge, we would be committing ourselves to changing the trend of ever-rising oil consumption.

That is why I will shortly be introducing—with colleagues from both sides of the aisle—legislation that will lower our national dependence on oil by reinventing our transportation system from the refinery to the tailpipe by using hybrid vehicles and homegrown biofuels and electricity to power our vehicles.

Destroying perhaps one of the greatest wilderness areas in the United States under the twin but barren banners of energy security and Federal revenue is unacceptable when you consider what is at stake.

On February 14 of this year, 1,000 leading U.S. and Canadian scientists called on President Bush to protect the Arctic National Wildlife Refuge from oil drilling and to ''support permanent protection of the coastal plain's significant wildlife and wilderness values.''

The signers categorically rejected the notion that the impacts of drilling could be confined to a limited footprint, as pro-drilling forces claim.

The effects of oil wells, pipelines, roads, airports, housing, processing plants, gravel mines, air pollution, industrial noise, seismic exploration and exploratory drilling would radiate across the entire coastal plain of the Arctic Refuge.

Given those inevitable environmental intrusions, is it any wonder, then, that the authors of this measure included provisions that would stymie the environmental protections that would normally apply under the National Environmental Policy Act and the National Wildlife Administration Act? And because they have all but eliminated these protections, drilling will go forward with virtually none of the environmental protections that the public expects to be in place for such activity on other federal lands.

It just makes no sense to destroy the Arctic Refuge for oil that won't lower prices to our consumers or give us true energy security.

The mark of greatness in a generation lies not just in what it builds for itself, but also in what it preserves for the generations to come.

Drilling in the Arctic for some short-term convenience in our time, will shortchange the legacy we should be building for the time of our children.

I urge my colleagues to vote to adopt the motion to strike.

I believe this is both the wrong way to make this decision, and it is clearly the wrong decision to make.

I urge my colleagues to vote for the motion to strike.

I say for myself, if the vote fails, for that reason alone I will vote against the reconciliation bill.

I want to add this one procedural point to the very strong arguments I think my colleagues have made in support of the motion to strike and about why this is an end run on the rules, and why this is not about a budget matter. This will raise a few billion dollars over 10 years; whereas, the annual budget of the United States projected for the next fiscal year is $2.6 trillion.

This is about drilling in the Arctic, not about the budget, and it doesn't belong here.

I want to make this additional procedural point, which I think strikes at the heart of some of the key provisions in this section.

Section 401—which is the Arctic Refuge title—flagrantly usurps the jurisdiction of the Environment and Public Works Committee in contravention of the rules. The EPW Committee has sole jurisdiction over matters relating to the U.S. Fish and Wildlife Service and the management of the National Wildlife Refuge System, as well as over the National Environmental Policy Act of 1969 and National Wildlife Refuge Administration Act of 1960.

For example, the title that would be struck would greatly limit to the point of preclusion the National Environmental Policy Act requirement that environmental impact assessments be performed before any leasing can be granted.

Also, section 401 shortcircuits the all-important determination that the Fish and Wildlife Service is required by the National Wildlife Refuge Administration Act to make sure the drilling is compatible for purposes of the Refuge.

I intend, at the proper time, to raise these procedural questions.

I thank my colleagues for giving me these few minutes.

This is a critical debate that I have been involved in since I came in 1989. I regret that it is happening this way. It is happening this way because the votes are not there in a full debate and in the parliamentary-appropriate context of drilling in the Arctic National Wildlife Refuge.

The PRESIDENT pro tempore. Who yields time?

The Senator from Alaska.

Ms. MURKOWSKI. Thank you, Mr. President.

I am pleased to be standing on the floor today about 8 months after the last opportunity that we had to debate the issue of development of a very small portion of the Arctic National Wildlife Refuge. During that time—during that 8-month intervening time—we have seen the price of a barrel of oil rise to as high as $73—now about $63. The chairman of the Energy Committee indicates that this morning it is about $59.

That rise has come because of a number of factors—continuing strong oil demand in China and India and other developing nations. It has come because of the effects of weather. We have seen the consequences of the hurricanes in the gulf. It comes also because the world fundamentally needs more oil.

Goldman Sachs, in August, predicted that oil will average $68 again next year.

Also, since the last time we debated the subject of ANWR, we passed an Energy bill. In that Energy bill, we addressed not only production, but we addressed conservation. We addressed renewable energy sources, alternative energy sources. But in terms of doing anything significant to directly increase domestic oil and gas production, we didn't do much in that Energy bill. We delayed that action until now.

I would like to take some time this morning to talk about why development of the Coastal Plain is not just necessary in light of the current events in the past few months, not just the price of energy but in light of what has happened up north in view of the technological change, the new data that has been developed in the past decade to prove, to establish, that we can develop ANWR oil without harm to the environment and to the wildlife that live there.

My colleague from Washington, who has proffered this motion to strike the ANWR provision, has said her amendment is really about national priority. I would suggest that the national priorities which are at stake with ANWR are priorities that relate to energy security, a priority that relates to environmental security, and a priority that relates to National and economic security.

These are what the priorities are about and this is what ANWR can do for us as a nation. It can help us with our reliance on foreign sources of oil, it can help us with jobs, it can help us build a stronger economy, and it can help us in terms of meeting our environmental obligation to our land.

Let me talk about some of these issues. First, national security. When we talk about the reliance we have as a nation on foreign sources of oil, it is not just talk. The reality is, this hits us, it impacts us in an incredibly significant way. Right now we are about 58 percent dependent on foreign oil. This dependency is expected to pass the two-thirds mark within the next 20 years. It threatens our national security. It threatens our economy.

When we see statements coming from Venezuela, for instance, one of our leading sources of imported oil, suggesting maybe they do not need to do business with the United States, and we recognize the competition for oil on the global market, competition from China, from India, we recognize we must do more domestically to meet our needs, to strike this balance between our need and what we are able to supply.

Chairman DOMENICI spoke to the jobs factor, the economic side, as well as what this means to our balance of payments. ANWR oil will help stabilize not only our national energy prices, but it will generate more than $30 billion in Federal revenues within 15 years.

We talk about reducing our balance of payments deficit all the time. People need to appreciate one-quarter of this Nation's trade deficit relates to what we pay other countries for our oil. Last year we paid $166 billion to buy oil overseas. We will pay even

more than that this year. We have to do something to address that balance of trade issue.

The jobs will be created. People associate jobs as drilling and exploration jobs. What they need to keep in mind is, when we have development of this size that we believe we can have on the Coastal Plain, this means jobs all over the country in terms of making the nuts and bolts, the pipes, the hauling, the shipping. This means increased commerce, increased job activity all over the country.

We throw around a lot of numbers, but look what it could mean to individual States: To my colleague from Washington, 12,000 jobs in Washington State; 80,000 jobs in California; 48,000 jobs in New York State; Pennsylvania gets 34,000; Florida, 34,000; Arkansas, 5,500. These are jobs associated with the activity that will go on up north. This is one of the reasons we have support across the country for opening ANWR, a small portion of the Coastal Plain, to oil exploration and development. People see the economic opportunity for them even in States that are thousands of miles away.

Farmers recognize this will help them with stabilizing what they need to do when they are planting the crops in the spring. Think of those products made from oil. We get so fixated on the transportation sector, but the reality is we derive much from petroleum. There are those that will say if we park every car in this country today, we would not have this incredible dependency on foreign sources of oil, we would not have this dependency.

However, I suggest we are a nation that is dependent on petroleum for many things. Transportation is incredibly important, but we have toothpaste, footballs, ink, life jackets, antiseptic, dentures, glue, clothing, food preservatives. So much of what we consume as a nation comes from petroleum products. We should not say, if we conserve a little bit more, we do not need to open ANWR. We need to face, as a nation, that we have a reliance on petroleum.

When we talk about the amount of oil available up north, again, we hear numbers floating all around. Some people say it is 6 months' supply; it is an insignificant supply. The fact of the matter is, and this is according to USGS estimates, ANWR's Coastal Plain has a 50–50 chance of containing the second largest oilfield in North America. As was stated before, what we anticipate to get out of ANWR would be the equivalent of the Texas oilfields. To those suggesting Texas is insignificant in terms of its contribution, we would say that is crazy.

Another example regarding what we anticipate to get from the reserves up North: the equivalent of what we have been receiving from Saudi Arabia for the past 25 years. Again, these are not insignificant amounts of oil.

What we anticipate we would receive from ANWR on a daily basis would have offset the oil we lost when the Gulf of Mexico was hit by the hurricane damage and we had all of the oil shut in.

If we are to discount the potential of ANWR, it is as shortsighted a viewpoint or perspective as we could ever have when it comes to our energy sources. This is akin to saying we should not open up Prudhoe Bay because, based on the reserves we know or expect to see there, we think it will only provide this country 3 years' worth of oil. That is what the estimates were. Prudhoe Bay has provided this Nation with up to a quarter of its domestic oil supply for the past 28 years.

We want to be given a chance on the Coastal Plain to demonstrate we can do something actively to reduce this country's reliance on foreign sources of oil.

Again, back to the national priorities. Care for the environment: We take that very personally in Alaska. I take it very personally. I was born and raised there. I am raising my kids there. I want my grandkids to be raised there. I want them to have the quality of life we as Alaskans enjoy. We take the obligation to not only create jobs and revenues for Alaskans, but we take the obligation to care for our land as one of our highest priorities. This is why it is significant. When Alaskans speak on this, 70 percent of Alaskans support developing ANWR. The residents who live on the Coastal Plain, the people of Kaktovik support opening ANWR because they can see the benefits to them, but they can also see they can have the benefits of jobs and revenues that can help them with their schools and their health clinics, that they can do that in balance with the environment, so their hunting, their subsistence, their whaling, is not sacrificed.

We like to talk up North about the gains in technology that have been made over the past 30 years. They are stunning. We are proud to speak of them. Earlier, Senator DOMENICI spoke to the trip we took up North with several Members and the Secretary of Interior and Secretary of Energy. We went to an exploration pad built up on an ice pad. They make an ice pad, and the ice pad is connected by an ice road. This road is almost a Zamboni-type machine. They roll it out over the very frozen tundra and they create this road of ice. The ice buildup is probably a foot or so thick, maybe higher in certain areas as you approach stream crossings. The exploration pad is a pretty compact unit and very impressive in terms of the size and scope of the equipment used. They have Rollagons with tires that are 15 feet high. They are huge, immense pieces of equipment. They go in, haul in the exploration equipment over the ice roads in the middle of the winter. Keep in mind, the State, in consultation with other agencies at the Federal and local level, make a determination for exploration. You cannot come in and explore at any time. You have to do it during the season that is allowed. They make measurements as to the thickness of the freeze before they will allow any activity to begin construction of the ice roads or any activity on the tundra.

This is an example. This is not the exploration unit we went to, this is in the National Petroleum Reserve. It is very similar in size. We have the exploration rig standing taller in this photograph with a few outbuildings that allow those working out there to stay warm, get a little bit to eat. You can see the ice road going out there on the tundra. That is what it looks like in the winter. This rig probably is out there for 2 to 3 weeks. Then they pack up and move it to the next exploration area the company might be looking to. This is what it looks like in the summer.

This photograph is the exact same area we saw, Rendezvous 2 well, National Petroleum Reserve. This is exactly what it looks like during the summer. The ice pad has melted. All of the equipment was removed during the winter when the ice roads were there. What is left is this stub of that exploration well. It is tough to tell from this picture because it actually looks pretty tall, but that stub is only about as tall as I am. It might be about 6 feet, a little taller. That is what is left.

This is what we do up North. We do it for a couple of reasons. First, because we know it is the right thing to do. We need to make sure we are caring for the environment. Second, we have the toughest, the strictest environmental standards for oil exploration and drilling anywhere in the country, and I would say probably anywhere in the world. We are proud of it. We are proud of the results that come out of this. We can do the exploration. We do it in a safe and sound manner. We try to leave as little footprint as possible. We are doing that because it is the right thing to do, but we are doing it because we are working with the Native people who live up there, who have lived up there for generations, who want to be able to continue to hunt and fish and whale.

The caribou are free to room. The central caribou herd near Prudhoe Bay in the 30 years since we have had oil development has grown 10 times. Some say we scare away the caribou and the Native communities will not have the subsistence source. The fact of the matter is, the reality proves otherwise. We are doing what we should be doing when it comes to care for the environment.

Polar bears have not been mentioned today, but they might later in debate so I will address them. There are some who are concerned that man's activity there will be driving the polar bear from the Coastal Plain. The fact of the matter is we have very healthy polar bear stocks up North in the Coastal Plain area where we are talking about the potential for ANWR development.

We have about 29 identified dens. We use infrared detection to determine where the polar bear are actually denning so we do not go near them. We are taking the steps needed and necessary to care for the animals and the environment.

Other things we are doing to recognize we need to work with the environment, with the animals, with those who would live there, include drilling restrictions during the summer months to prevent noise activity. There are prohibitions on any kind of seismic activity when the whales are migrating through. We are using directional drilling so we go into the ground and under the surface, and we are able to drill out 3 or 4 miles in every direction so there is no disturbance to the surface.

We are talking about a 2,000-acre limitation. I will go back to the map of the Coastal Plain to again put it in perspective. We are talking about 2,000 acres. That is about the size of an average size ranch in South Dakota, according to what the Senator from South Dakota tells me—2,000 acres in an area. The Coastal Plain on this map is the green area. The Coastal Plain is 1.5 million acres. We are asking to drill and explore in an area the size of 2,000 acres out of 1.5 million. The other colored areas on the map indicate the wilderness area and the Refuge itself.

The orange shown on the map is the Refuge. The wilderness area is the yellow part of it. The whole Arctic National Wildlife Refuge itself is an area the size of South Carolina. It is 19.6 million acres. Of that 19.6 million acres, we have 8 million that are dedicated wilderness. We cannot, will not, have no intention of going in and doing anything. That is entirely protected.

The balance in the orange is all Refuge. We are not talking about any exploration activity or development in that area. The only area we are looking at exploring is the green area, the 1.5 million acres. And within that we are talking about 2,000 acres.

For those of you who live and work in the Washington, DC, area, that is about the size of Dulles Airport. Actually Dulles Airport is a little bit bigger than that. So that kind of helps put in context what we are talking about.

Now, the Senator from Washington mentioned this legislation would also open up and allow the natives of Kaktovik to open up and be able to explore on their lands that are contained in the Refuge. The 2,000-acre limitation applies to the natives of Kaktovik, the Arctic Slope. It applies to all lands within the Coastal Plain—all lands within the Coastal Plain.

If there is oil that is discovered and explored and produced on native land, that part is part of the 2,000-acre limitation. So we are not expanding this from 2,000, plus whatever might be found on the native land itself.

Let me speak a minute to some of the other issues that were raised by some of my colleagues. The point was made there is nothing in this legislation that would prohibit Alaska oil from being exported. In fact, that is the case. But I should remind my colleagues that very little—very little—Alaskan North Slope crude has ever been exported. We do not anticipate that it would be exported, given the demand on the west coast, given the demand in this country. None is regularly exported now, and it has not been exported regularly in the past 6 years.

Now, it is true that back in 1995 we had a glut of oil on the American west coast, and Congress did, in fact, vote to permit the export of Alaskan oil. So from 1996 to 1999 there was about 5.5 percent of Alaska production that was being exported over to the Asian countries to relieve that glut.

We are now in a different time, a different place. There is no excess oil on the west coast. At this point, even though we are allowed to do so, there is no oil that is being exported. So where is it going? Fifty percent of all of Alaska's gas, coming from Prudhoe Bay, goes to the California refineries. This is near San Francisco and LA. We have 42 percent going to Puget Sound up in Washington State, and 8 percent goes to the State of Hawaii. There is a very fractional amount that stays in Alaska for in-State refinery needs.

But what you also need to keep in mind is that it is cheaper for us to ship the oil to the lower 48 than to the Far East. It is a matter of pure logistics. It is 2,056 miles to LA versus 3,401 miles to Yokohama, Japan. So the economics of it suggests that it does not make sense to ship any oil from Alaska overseas at this point.

Now, another issue that was raised was the issue of oil spills. This is something that when you hear the debate, these issues raised, you kind of have to take a deep breath and say the statistics on a piece of paper do not tell the whole story, unless you have the facts, the footnote, and the background that goes with it.

It has been suggested there have been all of these spills up North, and these spoil the Arctic tundra. But what they do not mention is, the companies that are operating up there have to report every spill—every spill—of any nonnaturally occurring substance. So if there is a spill of saltwater, it has to be reported—anything more than a gallon of oil or chemicals, such as lubricating oils, hydraulic fuels.

So when you go up North, you will see in the wintertime—and will in the summertime because the vehicles during the cold winter months are kept running for a good portion of the time—each and every one of the vehicles has what they call a ''diaper'' underneath the transmission to collect any leaking transmission fluid. Because if that were to get on the road, if that would get on the surface, that could be a reportable incident.

The vast majority of the spills at Prudhoe Bay have been of saltwater, saltwater used in water flooding to enhance oil recovery. They have not been oil spills.

Now, the other thing you do not hear is that the average oil spill was 89 gallons. This is the equivalent of about two barrels of oil, and that of that, those two barrels of oil, 94 percent of that oil was absolutely, totally cleaned up. According to DEC, which is the State Department of Environmental Conservation, 93 percent of all oil spills were of less than 100 gallons in volume, two-thirds were of less than 10 gallons, and less than a quarter barrel of oil.

So over the past decade, for the past 10 years, up North, there have only been 11 crude oil spills of more than 1,000 gallons, and 97 percent of that oil was fully recovered.

We can talk about the spills and reportable spills, but if you look at a number, it is important to know: A, what was it that was spilled; B, how much; and, C, how the cleanup was handled.

Prudhoe Bay is actually one of America's cleanest areas. ANWR development, given the technology we have, we know is going to be even better.

Now, I have to address the issue of too little oil to even bother exploring. I mentioned it very briefly at the beginning.

The USGS has recently updated its estimates. In fact, it was just within the past week or 10 days or so that USGS released its updated estimates for the amount of economically recoverable oil that will be found in ANWR. What they are now saying is that at the prices we are looking at—they peg it as $55 a barrel—93 percent of all the technically recoverable oil will be economically worth producing. That is up from a previous estimate of 83 percent. It means we have a 50–50 chance the Coastal Plain is going to contain 9.7 billion barrels of oil. Again, this would be the second largest oil field in North America.

When we talk about the amount that is available to us, I think it is important to put that in perspective. We are talking about the second largest field in North America. Currently, Prudhoe has been operating and supplying 20 percent of this country's domestic energy needs. It has for 30 years. We want to be able to supplement that with ANWR.

There is one other point I do feel is important to address. Several of my colleagues on the other side have suggested that because ANWR is contained in this budget reconciliation package, it is not the appropriate place, and that for a major policy decision such as this, it has not been given the time and the consideration and cannot be in this process.

As the senior Senator from Alaska, the occupant of the Chair, knows, this is something that has been debated and discussed for decades. ANWR has been the subject of dozens of bills, literally many dozens of congressional hearings. Legislation to open ANWR passed the Congress in the 1996 Budget Reconciliation Act. It was vetoed by President Clinton. But we have had several bills that have been introduced since then.

In the 106th Congress, we had legislation. Six bills were introduced in the 107th Congress. Legislation to open ANWR was approved by the House in the 108th Congress. In the 109th, also, the House introduced legislation. There have been countless tours of the Coastal Plain, where many Members of this body have had the opportunity to go up and see it for themselves. ANWR has probably been one of the most thoroughly researched, debated, and discussed issues pending before the Congress for the past 18 years.

I do not think any of us can stand here with a straight face and say that Congress is acting too quickly on this issue. It is something that has been aired very publicly, and over a great deal of time, with a great deal of public input.

I would like to conclude my remarks by speaking very briefly about those people who live in the Coastal Plain, the residents of Kaktovik. These are a very hardy people who have lived there for generations and generations, and who want to remain. But they are in a community where energy costs are extremely high. It is very difficult to find any kind of economic activity in the area. They are primarily a subsistence-based village. But they want to make sure, like all the rest of us, their kids get a decent education. They want to make sure they have some access to health care within their community. They want to have certain protections, if you will—whether it be a fire truck to help them when they have a house fire, as they had a couple years ago and had no way to provide for the protection of the property in that home.

They view the opening of ANWR as an opportunity for them to be participants. But they are also looking at this from the very critical perspective of being the only Alaskans who live in this area who would be affected by the development. They want a seat at the table. They want to be consulted. They want to be heard. They want to make sure that, in fact, the development that does take place is done in concert with their needs as the residents of this area for generations and their needs as people who live off the land.

We are working with the people of Kaktovik. I have introduced stand-alone legislation, along with my colleague from Alaska, and along with my colleagues from Hawaii, that would provide not only for environmental protections to be written into how we develop ANWR, but basically we codify all of those items we have discussed over the years, whether they are the environmental concerns, whether it is the 2,000-acre limitation on development, but also a provision to provide for economic impact aid to the residents of Kaktovik and any other Alaskans who may be impacted, to provide for a method of consultation with the natives of Kaktovik and the region.

What we are trying to do through the stand-alone legislation is provide for, I think it is fair to say, safeguards. For all those who may be concerned that, well, this budget reconciliation says ''open up ANWR, the only limitation is a 2,000-acre limitation,'' be aware that what we are providing for in the free-standing legislation, I think, is a very comprehensive set of guidelines for how we move forward positively, as we look to achieve that balance between development and care and concern for our environment up North.

With that, Mr. President, I yield the floor.

The PRESIDENT pro tempore. Who yields time?

The Senator from Washington.

Ms. CANTWELL. Mr. President, I yield 10 minutes to the Senator from Illinois.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Illinois is recognized for 10 minutes.

Mr. DURBIN. Mr. President, I rise in support of the Cantwell amendment and in opposition to drilling in the Arctic National Wildlife Refuge. In 1960, under the leadership of President Eisenhower, we created this nearly 20-million-acre Refuge. President Eisenhower and Congress said to the American people: We are going to hold this piece of America in trust. It will be held for future generations because it is a special place. It is one of the few places in America where we are going to restrict development. We are going to protect it because we want generations to come to know that the Arctic National Wildlife Refuge is a special place, a place deserving of our honor, our respect, and our protection.

With the provision in this bill before us today, we will turn our back on that promise made by President Eisenhower and by our Nation 45 years ago. We will authorize, in this reconciliation bill, drilling in the Arctic National Wildlife Refuge. It is a sad day. It troubles me that some have come to the Chamber and argued that this really is not that big a deal. They are going to gingerly step into this Refuge, drill, and gingerly step out, and you will never know they were there. You might buy that argument if you hadn't been there.

Several years ago, during the course of debating the same issue, which has been debated here a long time, one of the Senators from Alaska said to me: What do you know about it? You have never been there. You have never seen it. How would you know what the Arctic National Wildlife Refuge looks like?

It was a worthy challenge. I accepted it. I took off and spent 2½ days camping out in the Arctic National Wildlife Refuge so I could see it. We left Arctic Village, a remote village in Alaska, flew in a Canadian Beaver aircraft that was almost 50 years old over the Brooks Range, down the North Slope, along the Canning River.

As we looked to the west, we could see the State lands that had been drilled for oil and gas, and then, to the east, the Arctic National Wildlife Refuge that had not been drilled. It was easy to tell the two apart because the scars that were left on that State land that had been drilled were still there years and years later. They didn't gingerly step in and drill and leave; they cut scars across that land that will be there forever. On the east side of the river, the Arctic National Wildlife Refuge was pristine. One might see the tracks of a little wildlife, and that was it. So to say that these oil and gas companies are going to go in there and discretely and innocently take out the oil and gas defies human experience.

How much is this worth to us? Why is it that we would turn our back on a 45-year-old promise by America to future generations? Why would we say now, for the first time, we are going to drill for oil and gas in this wildlife refuge that we promised would never be explored in this way?

Some argue we just need the gas. Come on, don't you know what is going on at gasoline stations in Illinois and across the country? Gasoline prices are going through the roof. We need more oil. If we don't have more oil, it is going to mean calling for greater sacrifice. Families and businesses will continue to be dependent on foreign oil.

There are two things to consider. The Arctic Coastal Plain will yield less than 1 year's worth of oil for America, and it won't be available for 10 years. This debate is about 1 year's worth of oil, not available for 10 years, and it may take 20 years to extract it. So what impact will that have, Mr. And Mrs. American Consumer? About 1 penny a gallon. That is why we are going into ANWR.

There is a bigger issue. We have heard it said over and over on the other side. This is about America's energy security. You can argue it is a small amount of oil, but even accepting the fact that even a small amount of oil will lessen our dependence on foreign oil somewhat, there is another interesting issue. Do you know there was an amendment before the committee when the ANWR issue came up, and that amendment said: Whatever oil we take out of ANWR, we are going to use in America? That oil will come down to be used in America, so it will benefit American consumers and motorists. But that amendment by Senator WYDEN from Oregon was defeated. In fact, the Senator from Alaska voted against the amendment which said the ANWR oil has to be used in America.

What are we really debating here? We are debating drilling in ANWR so that oil can be exported from a wildlife refuge to China and Japan and other parts of the world. This isn't about the energy security of America; it is about the energy security of China and Japan. We are going to defile this wildlife refuge to drill for oil that can be exported, that won't even benefit the United States. Why would we do that? There is only one reason—because the oil companies will make a huge profit off of it. Those struggling oil companies need our help today with this

amendment. They have had a tough 6 months.

Mr. STEVENS. Will the Senator yield?

Mr. DURBIN. No, I won't.

They have had a tough 6 months. They have had recordbreaking profits of $40 billion over the last 6 months, and now they want the option to go drilling for oil in a wildlife refuge we promised to protect 45 years ago so they can drill and export oil to other countries for their economy. Is that what this debate is all about? Sadly, I am afraid it is.

The argument that this is just going to affect 2,000 acres—I am sorry—having flown over this area, having seen what happens, I know and the Department of Interior knows it isn't just about the pad where you drill. It is about roads and airstrips and pipelines and water and gravel sources and base camps and construction camps, storage pads, power lines, powerplants, support facilities, coastal marine facilities—it is a huge undertaking. You may see that postage stamp of drilling, but there is a lot more in support of it that is going to have an impact on this environment.

This is an abdication of leadership. To say that we have no other place to turn in America other than to drill in a wildlife refuge is an abdication of leadership and a concession to greed by the oil companies. How have we reached this moment where the leadership in America cannot turn to the American people and say: We can't go this far. We can't cross this line and drill in a wildlife refuge that we promised for 45 years to protect. We have to find other ways to reduce our dependence on foreign oil to make the cost of gasoline more affordable.

And there are other ways. If we improve the miles per gallon on the cars and trucks we are driving today by 2 miles a gallon, it would make up for all of the oil we are talking about drilling out of the Arctic National Wildlife Refuge. This Senate, given a chance to vote for more fuel efficiency, refused so we can continue the habit of buying fuel-inefficient cars and trucks, driving gas guzzlers, saying we are going to drill our way out of our problems, that we will continue to be dependent on foreign oil. There has been no leadership from this administration to talk about efficiency and conservation and making our cars and trucks more fuel efficient which would make this debate absolutely unnecessary. America can do better when it comes to energy.

This White House argues that all we can do to get out of a problem is to drill our way out. Except the obvious, America has only 3 percent of the known oil reserves in the world, and we consume 25 percent. We cannot drill our way out of this problem. Today, we will sacrifice a wildlife refuge. Tomorrow, the oil companies want to drill off our coastlines. What comes next, the Great Lakes? Where will this end? It will end with leadership and vision for an energy policy for America that reduces our dependence on foreign oil with responsible environmental production, with conservation techniques, with energy efficiency, with renewable and sustainable fuels instead of drilling away in wildlife refuges we promised our children we would protect.

America can do better with leadership and with vision.

I urge my colleagues, support the Cantwell amendment. Understand that this is not the answer. Drilling for oil in Alaska to export it to China is no answer to America's energy security challenge.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time remains?

The PRESIDING OFFICER. The time in opposition is 3 minutes. The Senator from Washington has 26 minutes.

Mr. DOMENICI. Senator, you have 26. We have 3. I would yield the floor, hoping that you all would speak, if you have more opposition. You have plenty of time. We don't have but 3 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I ask unanimous consent that Senators COLLINS, MIKULSKI, and JEFFORDS be added as cosponsors of amendment No. 2358.

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

Ms. CANTWELL. I yield 5 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I thank the Senator from Washington for her leadership on this issue and for yielding me some time.

I have long opposed the leasing and development in the Arctic Refuge for several reasons related both to energy policy and to environmental concerns. I have said many times that the most compelling reason for not opening the Arctic Refuge is that it would do very little to further our national energy security and will do nothing to address short-term energy prices or needs. There will not be any production from the Arctic Refuge for an estimated 10 years. The Energy Information Agency estimates that production from the Arctic Refuge would, at its peak, reduce our reliance on imports by only 4 percent, from 68 percent reliant to 64 percent. This would not happen until the year 2025.

I have a chart that puts things in some perspective. It talks about total oil demand. This line is 2005, today, total oil demand. As we can see, it is rising, has been rising, is expected to continue to rise. The next line is transportation demand. You can see the biggest part of our total demand is transportation demand. Then domestic production has been declining in this country since the early 1970s. It is on the decline now. It is expected to continue declining. If this provision becomes law and we go ahead with leasing and development of ANWR, there will be a slight uptick as we get into 2015 and that period. There will be a slight uptick in domestic oil production. That is the red line. What we see is that there will be a slight increase due to the opening of ANWR but a very slight increase.

I am disappointed that this issue is being taken up as part of a budget reconciliation bill. The policy issue is of great significance and complexity and cannot be adequately handled on a budget reconciliation bill. I also have concerns and questions about the legislation that is included in the reconciliation bill. This bill would open the refuge to oil drilling. It would do so with less protection than for any other wildlife refuge or other Federal land that is currently subject to oil and gas leasing. The only mention of the environment is a vague directive that the leasing program be ''environmentally sound.'' That is contradicted by other parts of the mark that contain broad waivers of environmental laws.

For example, the bill deems a 1987 environmental impact statement to be adequate under the National Environmental Policy Act, an 18-year-old environmental impact statement. It is deemed adequate for purposes of issuing regulations to implement the leasing program and other preleasing activities. This is despite the fact that there has been significant new information that has become available over the last 18 years related to the Refuge, related to its resources. The bill contains no requirement for public participation. It does have ambiguous new provisions that appear to limit judicial review. Even if one decided to go ahead with leasing this area, in my opinion the bill provides an inadequate framework and program within which to do that. There is no minimum royalty rate to be paid by oil companies provided for in this bill. There are no enforcement provisions. There are no required inspections. There is no limit on the size or the duration of the leases, no requirement that operational plans or surface-disturbing activities be approved, no requirement that oil companies post bond to ensure compliance with lease requirements, and there is no requirement that the land be reclaimed.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Ms. CANTWELL. I yield to the Senator 3 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BINGAMAN. And there is no requirement that the land be reclaimed or facilities removed.

Mr. President, these are fundamental components of a leasing statute. Members of this body are speaking out today about how we ought to impose windfall profits taxes on the oil and gas

industry. At the same time we are doing that we are proposing a series of provisions that put virtually no requirements on them. Perhaps the proponents for opening the refuge have omitted some of these elements because they recognize that including them would cause this to run afoul of the Budget Act. That is a very good reason why this kind of important issue is not intended to be dealt with as part of a budget reconciliation bill.

Mr. President, for these reasons I support the amendment of the Senator from Washington. I commend her for her leadership on this issue. I ask my colleagues to join me in voting in favor of the amendment. Opening the Arctic Refuge is not a necessary component of our national energy policy. We can do better in crafting a solution to the current problems, and we need to do that.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I have only 3 minutes remaining, but I want to yield that 3 minutes to Senator SUNUNU, and then I will yield the floor for the other side to continue.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SUNUNU. Mr. President, I think our energy policy and our approach to its provision ought to be driven by a need for balance, for evenhandedness, for a thoughtful approach, and that means not stepping forward and offering a lot of rhetoric, being careful about statements that might be misleading. And to that extent, earlier we heard a description about the Brooks Range and flying over the Brooks Range, and I think it is important for Members to understand the Brooks Range is not in the 1001 area, the 1.5 million acres that would be made available to leasing. It is not in there, not contained, not part of it.

So we can talk about the beauty of the Brooks Range, but it has nothing to do with this provision. We make tradeoffs all the time. You build a road, you make tradeoffs. You have to take land to build that road. You grow crops, you have to clear land and affect the environment for growing crops and food, growing cotton for clothing. You drive your car, you are using gasoline. You turn on your computer, you are using electricity. You have to build the lines to shift electricity around the country, build transmission. All of these choices in our modern society involve tradeoffs, and we should be balanced and thoughtful about how we weigh these costs and benefits.

When you look at this provision, first you can't help but look at the size—19 million acres in the Wildlife Refuge that we are talking about, three times the size of the State of New Hampshire, and this provision allows 2,000 acres to be used for production and exploration. That is an area equivalent to the size of the Manchester Airport, the airport that serves much of my State of New Hampshire. It is three times the size of New Hampshire, and we are talking about 2,000 acres to take advantage of what is by all estimates the second or third largest find of oil in our Nation's history—a million barrels per day as was pointed out, equal to all the production that was lost due to Hurricane Katrina.

Some of the critics have said, Well, yes, but if we only used energy from this source it would only supply all of the needs of America for 1 year. If you buy into that argument, then you would never support drilling another gas well anywhere in the country because it would not supply all of our energy needs for 10 or 20 or 30 years, or another oil well in east Texas or anywhere else in the country. If you buy into that argument, you basically are saying we want permanent energy dependence on imports, and that is the real goal of many of the interest groups behind this.

We need to strike a reasonable balance. Setting aside 2,000 acres in this part of the northernmost part of Alaska for the second or third largest oil find in our country's history is a reasonable, thoughtful, balanced approach. It is critical that we support this provision.

I did not support the Energy bill because I did not think it was fiscally responsible. But I think this is a rational and balanced approach, and one that I hope my colleagues will support. I yield back my time.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

The Senator from Washington controls all the time that remains.

The Senator from Washington.

Ms. CANTWELL. Mr. President, how much time remains?

The PRESIDING OFFICER. Nineteen minutes.

Mr. CONRAD. Mr. President, how much time remains on the Republican side?

The PRESIDING OFFICER. There is no time remaining.

Mr. CONRAD. Mr. President, how much time does the Senator seek?

Mr. TALENT. I can do it in about 5 minutes.

Mr. CONRAD. Mr. President, I make a unanimous consent request that we give the Senator 5 minutes that will come off the Republican side when we agree to extend the time for this debate momentarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. We understand it, and there is no objection.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. TALENT. I thank the Senator for his ingenuous unanimous consent request allowing me to go forward, and I will just take a few minutes to talk about ANWR in general.

I am going to offer an amendment relating to this portion of the bill later, but right now I just want to tick this down for a minute as to what I see as the essentials of this issue.

With the greatest respect to those who oppose this operation, the exploration of oil, I don't understand what coherent philosophy—regardless of whether you are a liberal or a conservative, I don't understand what coherent philosophy would advocate cutting your own nation off from oil within its borders.

Now, I know I have heard the argument that we need an energy future that is not anywhere near as dependent on traditional sources of energy, and I agree with that. I am the last person in the world to argue with that. I led the fight on this side of the aisle for the renewable fuels standard, which mandates that by the year 2001, 27.5 billion gallons of ethanol and biodiesel be in the Nation's fuel supply to replace oil and gasoline.

I am a huge believer that within a few years we are going to be filling up with fuel that we get from corn and from soybeans and other sources. I think that is the future of our country, but we are still going to need some oil, and certainly in the short term we are going to need oil and, to me, it makes sense to be able to produce it ourselves.

Concerns have been raised about the environment, and if we were not requiring that it be done in the environmentally most sensitive way, I would not support it. But the same people who raise those concerns place tremendous confidence in the ability of American technology to create alternative sources of energy, the technology of which is embryonic—hydrogen or wind. Now, I support those, as well, but if you believe that technology can get us to the point where we can do those things and create a lot of energy in that fashion, and that is a long way down the read, you have to believe the technology is adequate to be able to explore for this oil in a way that will be sensitive to the environment. We are already using that technology here and around the world. If we don't get the oil in the Arctic using the most environmentally sensitive means, we are going to have to import it from countries where I have no confidence in what they are doing to the environment.

Concerns have been raised about the oil companies. Whatever you think we should do with the oil companies, whatever restrictions we should put on them or other kinds of measures to make sure they don't gouge for the price of oil, we still need the oil. Socialist countries explore for oil within their own boundaries.

So I am down to the point of saying, Mr. President, I do not see why we should not do this, and I do know it is going to create jobs. I did want to rise and make that point because this makes a lot of difference to people in Missouri. The Senator from Alaska talked very compellingly about the difference it makes on the ground for people in Alaska. It makes a difference in

Missouri, too. An estimated 14,000 new jobs, good jobs will be created in Missouri alone if we explore for oil in the Arctic because of the collateral-related jobs around the country. That is one of the reasons the Missouri Laborers Council, the Carpenters' District Counsel of St. Louis, that represent, respectively, 13,000 and 22,000 members, strongly support this measure.

Mr. President, we should do it carefully. We should do it with a view toward the concerns that have been raised, but the concerns are not a reason not to do it. I know people have said, well, it is not going to produce much oil. A conservative estimate is 10 billion gallons. I think it will be a lot more than that.

Prudhoe Bay was estimated to hold only 9 billion barrels of oil. The production today is at 13 billion, and it is still producing. I think there is a lot of oil in the ANWR to get, but even if there is not so much there, it is no reason not to get it. We can do it the right way. We should have done it a long time ago, and we certainly should do it now.

I yield back any time I have not used.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington should be advised that time is running against her time.

The Senator from North Dakota.

Mr. CONRAD. How much time remains on our side?

The PRESIDING OFFICER. Nineteen minutes.

Mr. CONRAD. Mr. President, through the Chair I would like to say to the Senator from Washington that at this point, because the only time remaining is her time, and we are not yet prepared to enter into the unanimous consent request to extend the time, although I hope that will happen momentarily, it would be in her best interest to use the time.

Ms. CANTWELL. Mr. President, through the Chair, if I could inquire what the Senator from North Dakota is trying to propound in the unanimous consent request?

Mr. CONRAD. The unanimous consent request the manager of the bill and I will offer will extend the time until noon.

Ms. CANTWELL. I thank the Senator.

I would like to go over what I think are the important reasons we should not drill in the Arctic Wildlife Refuge and why my colleagues should support the Cantwell amendment to strike this language from the Budget Reconciliation Act.

As my colleagues have said earlier, we should not be doing this in the Budget Reconciliation Act, and it really does set a precedent for what I hope is not further attempts to drill in other parts of the United States, whether it is off the coast of Washington, the coast of Florida, or anywhere else by simply thinking you can come to the budget process and open up drilling in various parts of the United States. It is a very dangerous precedent. It also lays aside very important environmental regulations that should be met by any drilling efforts in the United States. So here we are, about to allow drilling in the Arctic Wildlife Refuge, and it is going to have the less protection than any other public land.

Let me go through the 10 reasons I think we should not be doing this.

First, the Arctic Wildlife Refuge does not solve our current gasoline or heating oil supply problems, and I guarantee you, my colleagues are going to hear a lot about home heating oil and other problems when they go home after we break for this year and people see their high heating bills and the enormous cost increases they are paying. So this is no solution for our immediate problem. In fact, even if oil were flowing today from the Arctic National Wildlife Refuge, who is to say that OPEC would not lower its supply and keep prices high? Moreover, the fact we are talking about something that is not going to happen for 7 to 12 years from now is clearly not going to help us in the near term.

Second, the oil supplies in the Arctic Wildlife Refuge are not going to help us be any less dependent on foreign oil. We already know that our biggest problem is that this country is 50 percent dependent on foreign oil, and moving forward in the next 15 years that dependency will grow to over 60 percent. To me, that says the way to get off fossil fuel and foreign consumption is to diversify, something this bill is certainly not doing.

The third issue is that we really do need to get off fossil fuel. So how are we going to do that? That answer is that we need to diversify into alternative fuels, such as Brazil and other countries have done, to look at a biofuels strategy and become more self-sufficient. The United States only sits on 3 percent of the world's oil reserves. To plan a strategy that continues to focus on this is just shortsighted.

Fourth, drilling in the Arctic will not translate into savings at the gas pump. Let me repeat that. It will not in the near term translate into savings at the gas pump. The Energy Department, its own energy information administration, said that even when the Arctic Wildlife Refuge oil supply is at peak production, it will only reduce gas prices by a penny a gallon. So we are going to open this pristine wilderness area for a penny a gallon 20 years from now.

Moreover, I believe it is important for my colleagues to get about the real debate and pass legislation that focuses on the price-gouging activities that could be occurring in America. Instead of passing this on a budget bill, why don't we bring up by unanimous consent or on some other piece of legislation a price-gouging bill that gives the Federal Government the same power that 23 States have in prosecuting oil companies or others who are involved in manipulating the price of gasoline at the pump? That is what we should take extraordinary measures in the Senate to do, not this.

Fifth, there is no guarantee that the oil from the Arctic Wildlife Refuge will be used in the United States. My colleague, Senator WYDEN, I am sure is going to talk more about this issue, but there is nothing under the current laws and regulations that is going to say that this oil is going to stay in the United States. So as my colleague from Illinois said, here is this product we are going to get from a wildlife refuge, and there is no guarantee that it is going to help our national security at all, that it won't be exported to the highest bidder.

Sixth, oil leasing in the Arctic Wildlife Refuge will not bring significant revenues to the Federal Treasury as a certainty. Right now, there is a big debate. There is a debate between the State of Alaska and the Senate about how royalties from the Arctic Wildlife Refuge should be divided. The State of Alaska has been very clear. They think they get 90 percent of those royalties. This bill tries to say they are going to get 50 percent. We know the State of Alaska is going to pursue that in court. The difference is a lot of money. If Alaska is successful, that means they will get 90 percent of the revenue assumed by this budget bill. This proposal says that the United States might get $2.4 billion. The State of Alaska is saying: No, no, no, you are only going to get $480 million. The difference between $480 million and $2.4 billion is a lot of money, and I would like to see clarity that if this have to happen we are not going to move forward without the guarantee that, in fact, we are going to see 50 percent of that revenue.

Seventh, the oil leasing in the Arctic National Wildlife Refuge, as one of my colleagues said, is about giving the oil companies something more of profits. The notion that they have had $30 billion in profits in the last quarter—$30 billion in profits in the last quarter—and yet they are not helping to diversify at a time when it is very clear to the American people that being overdependent on foreign oil and fossil fuel in general is not the right direction for our country.

Eighth, drilling in the Arctic National Wildlife Refuge will harm its ecosystem. Wildlife is going to be harmed. The fact that people think these things can work together is amazing. We should consider the reason the Wildlife Refuge was established in the first place, because it is a unique area. There is a lot of drilling that goes on in Alaska and a lot of area that is consumed by this. The original designation of the Arctic Wildlife Refuge was for the purpose of preserving this area.

Ninth, drilling in the Arctic Wildlife Refuge cannot be assumed to be environmentally benign. I know my colleagues would like to think that. But the fact is, in Prudhoe Bay and the oilfields of the Trans-Alaska Pipeline, there have been 4,532 spills from 1996 to 2004. In fact, the current rate of reportable spills on the Alaska northern slope is about 1 every 18 hours.

My colleagues would like to say this can be done in an environmentally sensitive way or that the environment is not going to be impacted. I don't believe that is true. I believe the number of oil spills that have been reported show that is not the case.

Mr. President, I ask unanimous consent to print in the RECORD a copy of the recent North Alaska oil company fines and penalties, the amount of money in penalties that have been paid by various companies over the last couple of years for either clean air violations or pipeline leak detections or other reasons for which various oil companies have been fined.

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

NORTH SLOPE, ALASKA: RECENT OIL COMPANY FINES AND PENALTIES

ENVIRONMENTAL

$80,000 civil penalty. ConocoPhillips. March 2004. Alpine Oil Field—Clean Air Act Violations. ADEC imposed civil penalty for high carbon monoxide emissions from turbines used to re-inject natural gas at the Central Processing Facility that exceeded the air quality permit by 215 tons over a year-long period. On Nov. 14, 2004 ADEC issued Compliance letter to CP for continued violations of excess Carbon Monoxide emission levels at the injection turbine from August 24 to October 2, 2004 (no fines). On March 5, 2005, Senator Domenici (R–NM) Senate Energy & Natural Resources Chair, toured the Alpine Oil field with Interior Secretary Norton, Sen. Lisa Murkowski and others. On March 7, 2005, ADEC closed the November compliance letter. However, problems with Carbon Monoxide levels exceeding permitted levels persisted at the Alpine production facility. On July 11, 2005, BP requested changes to the standards for all the combustion turbines but to date, ADEC has not taken such action.

$35,000 Fine. BP. Sept. 19, 2003. Badami Oil Field. Clean Air Act violations. ADEC compliance orders show that for nearly five years (from October 1998 to August 2003), BP operated Badami operated in violation of carbon monoxide emission permit limits. From May 1999 to August 2000 and in April & May 2001, Badami operated in violation of permit conditions for oxide of nitrogen emissions. On Feb. 23, 2004, ADEC issued a new air quality permit with revised BACT limits for the turbines (i.e. weakening the standard).

$75,000 Civil Penalty. BP. Feb. 21, 2003. Northstar Oil Field. Clean Air Act violations. ADEC compliance order for violations of earlier compliance order (2001), operating equipment not covered by permit and exceeding the NOx emission limits in its permit (only $40,000 fine paid). As of April 26, 2005, BP remained out of compliance with the permit, including excessive flaring rates.

$45,000 fine. BP. Feb. 21, 2003. Badami Oil Field. Clean Air Act violations. ADEC compliance Order for violations of Carbon Monoxide emission limits for nearly two years, higher nitrogen oxides emissions for over a year and for continuing violations at the Badami Central Production facility (fine reduced to $10,000).

Criminal Probation Conditions. BP. December 2002. Prudhoe Bay. Leak Detection, Monitoring and Operating Requirements violations. U.S. District Court found BP had not installed a leak detection system that could promptly detect Prudhoe Bay pipeline spills, and failed to comply with Alaska Department of Environmental Conservation requirements for best-available technology for crude oil pipelines. The Court ordered probation conditions allowing the state agency unrestricted access to the corporation's records and oil fields to verify compliance with environmental, health, and safety regulations. This action resulted from a July, 2001 a petition to the court submitted on behalf of 77 BP employees.

$130,000 penalty. Arctic Utilities Inc. and TDX North Slope Generating Inc. December 2002. Deadhorse. Clean Air Act violations. ADEC penalty at Prudhoe Bay power plant. The company failed to obtain air quality permits for installing new emissions sources and constructing upgraded facilities for this major source of nitrogen oxides pollution.

$675,000 civil assessments and costs. BP. November 14, 2002. Prudhoe Bay. Spill Violations. Fine for spill cleanup problems for 60,000 gallon pipeline spill ($300,000 waived by ADEC if spent on environmental project to increase using low-sulfur fuel use in school buses). Crude oil spilled to wetlands and leaked through ice cracks to a drinking water lake.

$300,000 fine. BP. June 2002. Prudhoe Bay. Pipeline Leak Detection Violations. BP paid fine for delays in installing leak detection systems for Prudhoe Bay crude oil transmission lines.

Zero Fine. ConocoPhillips. December 24, 2001. Alpine Oil field. Clean Air Act violations. ADEC issued Notice of Violation for high carbon monoxide levels at primary power turbine. Some issues were not resolved until 2003.

$75,000 fine. BP. December 21, 2001. Northstar Offshore field. Clean Air Act violations. ADEC imposed penalties and damages for violations of air quality permit for high carbon monoxide emissions, exceeding daily flaring limits, and operating equipment that had not been permitted. ($35,000 suspended conditionally). The violations continued for years; the compliance order was repeatedly extended. On June 22, 2004, ADEC wrote a Compliance Letter that BP was out of compliance with its permit, the 2001 compliance order and state regulations.

$80,000. BP. July 27, 2001. Badami Oil Field. Clean Air Act violations. ADEC compliance order for past and continuing violations of air quality permits for exceeding carbon monoxide and Nitrogen oxides limits and violations of certain provisions of March 15, 2001 compliance order. This compliance order was extended numerous times until February 14, 2003.

$412,500 fine. BP. April 17, 2001. Prudhoe Bay, Endicott. Clean Water Act violations. From 1996 to 2000, BP failed to properly analyze discharges from the Prudhoe Bay Central Sewage Treatment facility and the Endicott Offshore field and Prudhoe Bay Waterflooding operations. EPA reduced the total penalty down to only $53,460 because BP voluntarily disclosed violations of the Clean Water Act.

$110,000 fine. BP. March 15, 2001. Badami Oil Field. Clean Air Act violations. ADEC compliance order for 2 violations of permit conditions relating to excess levels of Carbon Monoxide, two past violations of oxides of nitrogen limits, and one ongoing violation of source test requirements (fine conditionally reduced to $70,000). On Aug. 1, 2001, BP paid an additional $10,000 for BP two months that the turbine engines exceeded emission limits specified in the compliance order.

$16,875 fine. Phillips. January 10, 2001. Alpine Oil Field. Clean Air Act violations. ADEC Compliance Order allowed Phillips Alaska Inc. to operate secondary power turbine on diesel fuel, instead of natural gas, until 2003 even though emission testing showed this would result in exceeding permit Best Available Control Technology limits for NO_X. (Fine reduced to $5,000)

Zero Fine. BP. February 7, 2000. Northstar offshore field. Clean Air Act violations. Voluntary disclosure to EPA of violations of the Clean Air Act, New Source Performance Standards from drilling prior to start-up of field. EPA did not seek penalties for these violations, according to a letter of February 23, 2000.

$22 million penalties and fines. BP. February 2000. Endicott offshore field. Superfund violations. The federal court ordered BP to pay $6.5 million in civil penalties, $15.5 million in criminal fines, and to implement a new environmental management program, and ordered five years of probation. BP was late to report hazardous dumping down Endicott production wells, required by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly known as Superfund (also see Doyon Drilling, below).

$5,000 Fine. ARCO Alaska Inc. Dec. 20, 1999. Alpine Oil Field. Clean Air Act violations. Drill rigs operated by Doyon Drilling exceeded total emissions allowed under permit conditions (fine reduced to $500).

$5,000 fine. ARCO Alaska Inc. Nov. 22, 1999. Alpine Oil Field. Clean Air Act violations. ADEC issued compliance order for excess emissions from the drilling mud plant heater in violation of Air Quality Construction permit conditions (fine reduced to $500).

$14,000 fine. ARCO Alaska Inc. Nov. 7, 1999. Alpine Oil Field. Clean Air Act violations. ADEC issued compliance order for excess emissions from engines associated with drilling that violated permit conditions (fine reduced to $3,500).

$13,000 fine. Aug. 31, 1999. BP. Badami Oil Field. Clean Air Act violations. ADEC compliance order for excess emissions of Carbon Monoxide from turbines and crude oil heaters (fine reduced to $5,000).

$50,000 fine. Alyeska Pipeline Service Co. March 17, 1999. Trans-Alaska Pipeline System. U.S. Dept. of Transportation pipeline violation. Two instances of over-pressurization of the Pipeline which risks leaks and spills led to federal fine. Since 1992, Alyeska had over-pressurized the pipeline 5 times resulting in another $100,000 in fines.

$3 million fine. Doyon Drilling. 1998. Endicott offshore field. Oil Pollution Act violations. The BP contractor pled guilty of 15 counts of violating the Oil Pollution Act of 1990 for dumping hazardous wastes down Endicott wells for at least three years. Three managers paid $25,000 fines and the Health, Safety, and Environmental coordinator went to prison for a year.

Southcentral Alaska: $485,000 civil penalty. ConocoPhillips. August 2004. Offshore drilling platforms in Cook Inlet, Alaska—Clean Water Act violations. EPA imposed penalties for 470 violations of the rig's National Pollution Discharge Elimination System Permit over a five-year period, and six unauthorized discharges of pollutants to Cook Inlet, in Southcentral Alaska.

HEALTH AND SAFETY

$1.3 million civil fine. BP. January 2005. Prudhoe Bay. Alaska Oil & Gas Conservation Commission had originally proposed $2.53 million fine for safety violations at a Prudhoe Bay well accident caused by excessive pressure in 2002. Explosion and fire seriously injured a worker. The Commission said

BP put production ahead of shutting down and repairing wells. BP agreed to pilot feasibility study on remote monitoring of well pressure levels for $549,000 fine waiver.

$102,500 civil fine. BP. January 2005. Prudhoe Bay. Alaska Oil & Gas Conservation Commission fined BP for violating rules drawn up after the well explosion on preventing dangerous pressure from building up in Prudhoe Bay wells.

$6,300 civil fine. BP. January 2003. Prudhoe Bay. Alaska OSHA proposed fine for violations of state's worker safety law in failing to protect workers in an explosion that killed a worker.

$67,500 civil fine. Houston/Nana (owned by Arctic Slope Regional Corporation & NANA Regional Corporation). March 2002. Trans-Alaska Pipeline. Alaska OSHA proposed fine to this Trans-Alaska Pipeline Contractor for failing to report 142 instances of worker injuries or illnesses from 1999 to 2001, in violation of state and federal laws.

Ms. CANTWELL. Mr. President, lastly, on these reasons why we should not move forward, is the notion that the Arctic National Wildlife Refuge is a symbol of this country's desire to protect and preserve wildlife areas and that somehow people would like to assume that long-term damage has not already been done to other parts that have been opened up for drilling.

In fact, a Environmental News Service article that summarizes a 2003 National Academy of Sciences report that says for three decades of oil drilling on the Alaskan North Slope, while it has brought economic benefits, for sure, it has also caused lasting environmental damage ''and a mixture of positive and negative changes to that area.'' The report found that some environmental damages will last for centuries.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From the Environmental News Service]

NORTH SLOPE REPORT FUELS ALASKA DRILLING DEBATE

(By J.R. Pegg)

Three decades of oil drilling on Alaska's North Slope has brought economic benefits to the region, but has caused lasting environmental damage and a mixture of positive and negative social change, says an independent panel of experts.

The National Research Council report released Tuesday is the first official assessment of the cumulative environmental, economic and social effects of some 30 years of oil drilling on Alaska's North Slope, which covers 89,000 square miles.

The report, ''Cumulative Environmental Effects of Oil and Gas Activities on Alaska's North Slope,'' does not offer any policy recommendations on the issue of oil drilling within the Arctic National Wildlife Refuge (ANWR), which is east of the established North Slope oil fields and remains the only part of the nation's Arctic coast not open to drilling.

The Bush administration and some Republicans in Congress are moving to open ANWR to drilling, despite fierce opposition from environmentalists, Democrats and a handful of Republicans.

''That is a policy decision, not a science decision,'' University of Washington zoology professor Gordon Orians told reporters. Orians served as chair of the 18 member committee that produced the report.

Even so, the report was immediately hailed by opponents of drilling in ANWR, while at the same time it was labeled as biased and flawed by some supporters.

The report is ''just another attempt by the people who have been opposed to development in Alaska,'' said Senator Ted Stevens, an Alaska Republican.

''To hear them talk, you would think it would be in the best interest of the country to turn the clock back and put Eskimos back in igloos and deny them energy, deny them any assistance of the federal government, and deny them any income from the production of their lands.''

Stevens alleged that at least three committee members are on record opposing increased drilling and said this undermines the impartiality of the report.

Orians denied charges of any bias within the final report, noting that the panel included individuals with ties to the oil and gas industry, along with members linked to environmental and conservation groups.

''This is a unanimous report,'' Orians said. ''Everyone agreed to this, even the members whose research has been funded by the oil industry for years. The claim that particular biases have slanted the committee's view cannot be sustained.''

The study was mandated by Congress and carried out by the research arm of the National Academies, which is a private, nonprofit institution charged with providing science and technology advice under a congressional charter. Members of its committees are not compensated for their work.

The report finds that efforts by oil industry and regulatory agencies have reduced many environmental effects, but have not eliminated them. Some of the environmental damage will last for centuries or longer because of the costs of cleanup and fragile nature of the Arctic environment.

Oil was first discovered on the North Slope in 1968. Oil production on the slope and along its coast accounts for some 15 percent of the nation's oil production.

There are concerns about the haphazard development of oil and gas on the slope, driven by a consistent ''lack of planning'' by different agencies and regulatory bodies with oversight of the area, Orians said.

''There has been no vision or planning on where things ought to go,'' he said.

But scientific advances are helping to reduce some environmental impacts. Smaller oil drilling platforms cause less harm to the tundra, as does the trend that more roads and drilling sites are now being constructed with ice instead of gravel.

Fewer exploration wells are needed to locate and target oil deposits. The use of remote sensing has reduced off road travel, an activity the panel cited as having notable environmental consequences. Off road trails for seismic exploration have harmed vegetation, caused erosion and degraded the aesthetic beauty of the tundra.

It is ''difficult to fully determine the impacts of off road activity,'' Orians said, because the oil industry refused to release information on where and when it had conducted seismic explorations.

For some areas of concern, in particular oil spills, the committee found no evidence that environmental effects have accumulated.

''Oil spills have not accumulated over time because spills have been small and relatively contained,'' Orians said.

''But if there were to be a major spill offshore in the ocean, current technology cannot remove but a fraction of the oil spilled.''

The report offers a mixed review of the impact of the oil and gas industry on wildlife. There have not been large declines in the caribou herds within the slope, but their geographical distribution and reproductive success has been altered. The animals avoid some traditional areas used for calving and for protection from insects because of oil development, and the report finds the spread of industrial activity could increase this trend.

Some animals and birds, including bears, foxes, ravens and gulls, have benefited from development on the North Slope. These scavenging species have thrived with the addition of food sources from human refuse. But these species prey on eggs and nesting birds, some of which are threatened and endangered. The report finds some bird species are struggling to maintain stable populations because of this increased threat.

The panel suggests that if oil activities expand, these predator populations must be controlled if the impact to some bird species is to be contained.

Bowhead whales have altered their migration patterns to avoid noise from offshore seismic activity, the report says. The extent of this detour and the impact to the species is not fully understood, panelists said, but it is impacting the indigenous societies of the slope.

The Inupiat Eskimos, for example, have a long tradition of hunting bowhead whales, but are now finding they have to travel much further out to sea to catch the whales. And the Gwich'in Indians, who rely on caribou, are concerned about changes to caribou herds and their migration patterns due to oil drilling.

''There is no question in the minds of the native community that have been positive and negative impacts from oil development,'' said committee member Patricia Cochran, executive director of the Alaska Native Science Commission.

Money from oil development has improved schools, health care and housing. But these improvements appear to have a cost, the report finds, including increased alcoholism and diabetes.

The report suggests the negative social impacts could be mitigated by increased involvement of these communities within the planning process for future oil and gas development and for when oil and gas production declines on the slope.

What will happen when production of oil and gas on the North Slope has ceased is something that has not been addressed, the report finds. It will take billions of dollars to clean up and remove the infrastructure put in place to drill oil and gas, costs that neither the government nor the industry has said it is willing to absorb.

The panelists said further research into the environmental effects of drilling should rely more on locals, explore air pollution and contamination of water and food sources, as well as the possible implications of climate change.

The report is intended to help policymakers with their decisions, committee members said, and reflects that there are environmental, economic and social tradeoffs for the future of oil development on the North Slope.

''When industrial development goes into an area there will be some associated changes in the environment and society has to face that, whether it is in Alaska or in the lower 48 states,'' said panelist Chuck Kennicutt, director of the Geochemical and Environmental Research Group at Texas A&M University's College of Geosciences.

''We are simply saying that there is change that will occur. It is always a question of balance between the benefits and the costs and these are perceived differently by different people,'' Kennicutt said.

Bush administration officials said they welcomed the report and highlighted its findings that technology is lessening the environmental impact of drilling.

The report shows that, ''We can protect wildlife and produce energy on the North Slope,'' said Department of Interior Secretary Gale Norton.

Protections that the administration supports, Norton said, include mandated ice roads and runways, limits for exploration areas to no more than 2,000 acres, analysis of each proposed exploration site to avoid sensitive waters and a mandate the exploration only occur in the winter.

Environmentalists and some Democrats believe the report demonstrates that governmental oversight of drilling and its environmental effects has been lacking.

''The National Academies' report reveals what we have suspected all along, that oil and gas exploration and development have significant impact on wildlife and their habitat and is leaving a legacy of pollution on one of America's most pristine areas,'' said Congressman Ed Markey, a Democrat from Massachusetts.

''Oil companies haven't set aside the money required to clean up their current infrastructure, let alone any potential expansion,'' Markey said. ''It seems likely that the restoration of the North Slope, if it is restored at all, will fall on the taxpayer's shoulders.''

Ms. CANTWELL. Mr. President, I think it is known that the environmental damage to the region has been done, that leaks and clean air issues are prevalent in the area, that oil companies are being fined for those violations, and that we cannot just go about drilling in the Arctic National Wildlife Refuge and think we are solving our problems.

In fact, I would like to show my colleagues a copy of a map of what we are talking about. Here is the Arctic National Wildlife Refuge. Here is the rest of northern Alaska. One can see the various designations of existing Federal and State leases. The active Federal leases are in yellow. This is the area under discussion. So all the rest of Alaska in this particular area—in yellow and red, and even in this beige, proposed Federal leasing plan—a lot of territory that is already involved in oil and gas production. Why not leave this last slice of Alaska's Northern coast alone and pristine?

A Washington resident, just to give my colleagues an idea, actually took some pictures of this area of the wildlife refuge. One can see it is a very pristine area with wildlife and streams running through it. We can imagine why someone wanted to preserve this area and why it is so important to the United States.

This happens to be, in my mind, a pretty infamous picture because when my colleague, Senator BOXER, and I were on the floor discussing this issue a few years ago, there was a copy of this picture that was at the Smithsonian, part of an exhibit done by a Washington photographer, a retired Boeing engineer who visited this area and took some pictures and had a public display at the Smithsonian. As soon as these pictures were used on the floor of the Senate, somehow his exhibit was sent to the basement of the Smithsonian and got a lot less attention because somehow, I guess, this picture portrays for the American people something some people didn't want to see or didn't want to have advertised so specifically.

Here is another picture of the area that depicts what an unbelievable, pristine resource this is for the United States. We can see how delicate the ecosystem of this region is and how challenging oil drilling activity in this region can be.

I say to my colleagues that I believe the American people, and certainly the news media around the country, have gotten the gist of what this debate is about because they have expressed their opinions about this as well. I think they have been right on track about this issue. I would like to talk about some of those opinions.

The Milwaukee Journal Newspaper said:

. . . This effort may succeed, not because it's good public policy but because supporters are trying to sneak it into a budget reconciliation bill . . . supporters of good government should not allow that to happen.

That is one newspaper in the Midwest.

Another from the South, the Atlanta Journal-Constitution:

. . . As always, drilling advocates are using distortions and half-truths, claiming that awarding extractive leases on protected lands will significantly reduce the Nation's dependence on imported oil while having minimal impact on the region's fragile ecology.

That from a newspaper in the South.

From the Philadelphia Inquirer, another newspaper that has followed this issue. I thought they hit it right on the head in today's debate because they say:

Congress has wasted years trying to enact this single proposal when, by now, ingenuity and investment in technology could have developed better answers. Whether the United States drills in the Arctic Refuge or not, this country has no comprehensive plan to wean itself from oil. That's what's really needed.

Mr. CONRAD. Mr. President, might I interrupt the Senator for a moment so we might propound a unanimous-consent request?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Ms. CANTWELL. If I can finish for a second, and then I will yield to the Senator to make his request.

The Milwaukee Journal Sentinel is a summation of what this debate is about. We have debated this for years, and the reason it has been contentious is because a lot of people have concerns about this direction and proposal. But now to do this on the budget where the environmental safeguards that are applied to other drilling, where the NEPA process and other safeguards are ignored, where we are not sure what oil revenue the United States is really going to get to recognize in this budget, when we don't know whether we are going to keep this oil for economic security reasons, I agree with the Sentinel which said:

The reconciliation bill should be used to settle budget matters, not to abuse the public's trust.

I will yield now to the Senator from North Dakota for his proposal.

Mr. GREGG. I appreciate the Senator from Washington yielding and the Senator from North Dakota for allowing us to proceed here, also in arranging for this.

At this time, I ask unanimous consent the debate time on the pending Cantwell amendment be extended to 12 noon and that the time from 10:45 to 12 noon be equally divided, except that the Senator from Washington shall, within that time, receive an additional 5 minutes; that any amendments to the language proposed to be stricken be limited to the time specified above and any second-degree amendments would be limited to the time specified under the agreement: that within the time allocated, Senator TALENT shall have the right to offer an amendment relative to ANWR; that the following first-degree amendments are to be offered during today's session within the time limits specified, all time equally divided: Senator GRASSLEY's amendment re: agriculture, from 12 to 1:30; Senator BINGAMAN's amendment relative to FMAP, from 1:30 to 2 p.m.; Senator BYRD amendment re: VISAS, from 2 to 3; Senator LOTT and Senator LAUTENBERG amendment relative to Amtrak, from 3 to 3:30; Senator MCCAIN amendment re: spectrum date change, from 3:30 to 4:15; Senator MURRAY's amendment re: dual eligibles, from 4:15 to 5 p.m.; Senator ENSIGN's amendment re: DTV, 5 to 5:30; and Senator LANDRIEU's amendment on coastal impact or a Senator CONRAD-designated amendment, from 5:30 to 6 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object—and I hopefully will not be objecting, I am sure we can work this out—in terms of the time for Senator BYRD's amendment, did we have that?

Mr. GREGG. From 2 to 3.

Mr. CONRAD. Very well. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I want to ask a question. With reference to the pending amendment, would you refresh my recollection here, Senator TALENT has a right to offer an amendment?

Mr. GREGG. During the period of pending debate from now until 12:00.

Mr. DOMENICI. Is that the time in which it would be debated?

Mr. GREGG. That is correct.

Mr. DOMENICI. We have no additional time. Has that been checked with him?

Mr. GREGG. As I understand it, that is acceptable to Senator TALENT.

Mr. DOMENICI. I am not sure.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I reserve my right to object only because I am not sure that is what he wants.

Is there any way the Senator can fit it in later on for 10 minutes?

Mr. GREGG. No.

Mr. DOMENICI. Is that the only other amendment in the list that applies to ANWR? On that list?

Mr. GREGG. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, reserving the right to object because I want to make certain we also got in the language that second-degree amendments would be permitted during the above times and their debate would be limited to the time specified under the agreement.

Mr. GREGG. That is applicable to the ANWR language.

Mr. CONRAD. And any others as well.

Mr. GREGG. All right.

The PRESIDING OFFICER. Is there objection to the agreement, as modified?

Without objection, it is so ordered.

Mr. CONRAD. I thank the Senator from Washington for her courtesy in allowing us to proceed and interrupting her statement.

Mr. DOMENICI. Even though Senator CANTWELL has an extra 5 minutes, is it all right that we go and the Senator accumulate that time?

I yield myself 3 minutes, and then I will yield the management of the time to the senior Senator from Alaska for the remainder of our time.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. DOMENICI. I want to respond to one of the issues raised by pointing to the map here. I have conferred with the Senator from Alaska and others about this Coastal Plain. If you see, it is in green and you see these words, it says:

Not wilderness. Creation of the coastal plain oil and gas exploration area.

This little box is within that, 20 acres. It is not within a wilderness area. It is not a wilderness. It was established by President Eisenhower, and contrary to what was said on the floor, it was done that way for the very reason it was thought to have an abundance of natural resources; to wit, oil and gas. Therefore, it was set aside for an exploration area, the future use of which was to be determined by the Congress.

Isn't that interesting? Contrary to what has been said, we are doing exactly what President Eisenhower's set-aside intended. It intended it to be an oil and gas exploration area, for that purpose, to be determined in the future. By whom? Us. The very thing we are doing here.

My last observation: For anybody in the United States who is worried about America and its natural gas future, its natural gas price that is going through the roof, that this particular winter Americans are going to be terribly upset when the price goes up dramatically, with gasoline at the pump so high. It was a month ago that Americans were beginning to worry about their future. It is interesting to note that the State of Alaska, one of ours—not Russia, not some country that we don't know about—actually contains sufficient natural gas that if we would have been on our toes, we would have had sufficient natural gas from our own State to where this crisis would not be occurring.

There are a lot of reasons. But one of them is the constant carping that we can't do it because of environmental reasons, when we can. We know how to do it. We do not have to destroy the wilderness. We don't have to destroy the tundra. But if we keep doing what we are doing, we can destroy our economy. That is the issue.

I am pleased to be part of this. I hope we will vote before the day is out on this issue, and we will finally prevail. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. STEVENS. Mr. President, I have sort of a unique role in this argument, since I was in the Interior Department in the Eisenhower administration and helped create the Arctic Wildlife Range. It was specifically on this Coastal Plain, specifically specified it was subject to oil and gas leasing.

Then I was here at the time that Senators Jackson and Tsongas offered the amendment that created the 1002 area and, as this chart shows, it was specifically excluded from the Refuge. It is not wilderness. It never was wilderness, and it has never been closed to oil and gas exploration. Their amendment required approval of Congress of the action—of the results of the environmental impact statement required by the Jackson amendment.

Mr. President, I am wearing an Alaska bolo tie today because two of my friends, Laura and Crawford Patotuck, brought this to me and asked me to wear it when ANWR was up before the Senate. They are part of the Alaskan Native group that is here to support this bill and support proceeding with the oil and gas leasing.

I have heard some comments this morning about whether this is right, to have this provision in this bill. The Constitution of the United States does not require 60 votes to pass a bill. That is only a procedural rule of the Senate on how to end filibusters.

Filibusters plague the Senate. They continue to plague this Senate, and that is why the Budget Act was passed, to prevent filibusters on items that would bring about increased income of the United States.

Many people are talking about the 50–50 split between the Federal Government and the State of Alaska under the Mineral Leasing Act. It so happens I was the one who suggested it to Delegate Bartlett at the time the Statehood Act was before the Congress, that we add to that, the Statehood Act, the provisions of the Mineral Leasing Act which guaranteed to Alaska 90 percent of the returns from oil and gas leasing in Alaska because we were not subject to the Reclamation Act.

The Reclamation Act no longer has any application. So Congress has, for many years now, divided these receipts on a 50–50 basis, and this bill, when it becomes law, will specifically so divide it. That is not an issue that would be appealable to the courts. What would be appealable would be the original change in the law by the Congress if we ever decided to file that lawsuit. Alaska has never filed such a lawsuit.

I hope we will not hear anymore about whether this provision of this bill applies to Alaska as it applies to all Western States that have public lands. There is a 50–50 split on the royalties that are derived from oil and gas leasing.

One of my real joys this year was to receive a letter from my old friend, James L. Buckley, Judge Buckley, former Senator from New York.

I ask unanimous consent that a copy of this letter be placed on each desk because I think all Senators should read it.

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

Mr. STEVENS. Let me read it:

DEAR TED: Twenty-six years ago, after leaving the Senate, I was a lead signatory in full-page ads opposing oil exploration in the Arctic National Wildlife Reserve that appeared in the New York Times and the Washington Post. I opposed it because, based on the information then available, I believed that it would threaten the survival of the Porcupine caribou herd and leave huge, long-lasting scars on fragile Arctic lands. Since then, caribou populations in the areas of Prudhoe Bay and the Alaskan pipeline have increased, which demonstrates that the Porcupine herd would not be threatened, and new regulations limiting activities to the winter months and mandating the use of ice roads and directional drilling have vastly reduced the impact of oil operations on the Arctic landscape.

In light of the above, I have revised my views and now urge approval of oil development in the 1002 Study Area for the following reasons:

1. With proper management, I don't see that any significant damage to arctic wildlife would result, and none that wouldn't rapidly be repaired once operation ceased.

2. While I don't buy the oil companies' claim that only 2,000 acres would be affected, even if all of the 1.5 million-acre Study Area were to lose its pristine quality (it wouldn't), that would still leave 18.1 million acres of the ANWR untouched plus another five million acres in two adjoining Canadian wildlife refuges, or an area about equal to that of the States of Connecticut, Massachusetts, Vermont, and New Hampshire combined. In other words, it is simply preposterous to claim that oil development in the Study Area would ''destroy'' the critical values that ANWR is intended to serve.

3. In light of the above, it is economic and (to a much lesser degree) strategic masochism to deny ourselves access to what could prove our largest source of a vital resource.

I emphasize this:

Having visited the Arctic on nine occasions over the past 13 years (including a recent camping trip on Alaska's North Slope), I don't think I can be accused of being insensitive to the charms of the Arctic qua Arctic. I just don't see the threat to values I cherish.

With best regards,

Sincerely, Jim.

There is a man who has changed his views. I do believe we should all take

into consideration the fact that he led the movement, started the movement against the exploration and development of this Arctic Plain.

I must express my amazement that our colleague from Washington has introduced an amendment to strip this provision from the budget reconciliation. In 1980, former Washington Senator, and my great friend, Henry ''Scoop'' Jackson wrote a letter discussing the importance of ANWR.

He wrote this about ANWR:

> Crucial to the Nation's attempt to achieve energy independence. One third of our known petroleum reserves are in Alaska, along with an even greater proportion of our potential reserves. Actions such as preventing even the exploration of the Arctic Wildlife Range, . . . is an ostrich-like approach that ill-serves our Nation in this time of energy crisis.

I say this: Not only does ANWR serve our important national security interest, it also serves the economic interest of the State of Washington.

The economic health of Puget Sound is tied directly to Alaska as illustrated in a report commissioned by the Tacoma-Pierce County and Greater Seattle Chambers of Commerce. Of particular importance is oil production from the North Slope.

Washington's refining industry purchases almost its entire crude oil stocks from Alaska. The report states that ''direct impacts from the refining of Alaska crude oil within the Puget Sound region include 1,990 jobs and $144.5 million in labor earnings. In 2003, oil refineries in Puget Sound imported $2.8 billion worth of crude oil from Alaska.'' Alaska oil provided 90 percent of the region's refinery needs.

Washington's refineries provide much needed gasoline and jet fuel supplies to the Pacific northwest. Without the opportunity to expand production at the Cherry Point refinery, more than 300,000 gallons of fuel per day are lost. This is fuel desperately needed by consumers in both Washington and Oregon.

Oregon has no refining. The refinery I mentioned is the one running Alaskan oil. Oil development is a major contributor to the health of Washington's economy. As oil wealth in the State of Alaska increases, so does the demand for Puget Sound goods and services. Perhaps this is why the chambers of commerce support balanced development of ANWR.

They understand that with Prudhoe Bay declining—it today only produces around 950,000 barrels a day from a high of 2.1 million barrels—additional oil resources must be developed to ensure the continued economic viability of the Puget Sound region.

The development of Prudhoe Bay contributed more than $1.6 billion into the Washington economy. ANWR alone is estimated to create over 12,000 new jobs in Washington alone, in addition to the revenues it will generate for the State.

None of these benefits will take place if Senator CANTWELL's motion is allowed to pass.

Not only are decreasing oil output and declining revenues affecting the health of Washington, its major businesses are feeling the heat—particularly the aviat1on industry.

The rise in fuel prices is greatly impacting our aviation industries. Our airline industry has lost over $25 billion in the last 3 years.

Sustained high jet fuel costs of $1.50 per gallon—which is almost triple that of 1998 and 1999—continues to hamper the health of this critical industry. Every dollar per barrel that the cost of oil rises costs the airline industry an additional $2 million per month.

High energy prices also prevent job creation in the transportation sector. The Air Transport Association estimates that for every dollar increase in the price of fuel, they could fund almost 5,300 airline jobs. This should be particularly worrisome to those members who represent constituencies in the airline industry and those businesses that support the airline industry.

At a time when Boeing, America's leading aerospace company, is struggling to reassert its dominance in the aviation field, the high prices of oil are devastating.

Fuel costs are the second biggest costs for airlines. Given these high costs, airlines can not afford to purchase additional aircraft.

And air transport, which generated revenues of $1.5 billion in 2003, are also at risk from high fuel prices.

Washington State consumes 17.6 million gallons of petroleum per day, including 7.3 million gallons for gasoline and 2.5 million gallons per in jet fuel. It produces none of its oil.

I ask the Senator from Washington, where will your constituents get oil if they do not get additional supplies from ANWR, when the pipeline in Alaska—the only known producing area—is declining almost daily?

Twenty-four years ago, during the debate on Anilca, I worked closely with Senator Scoop Jackson and Senator Paul Tsongas to ensure part of the coastal plain of Anwr remained open for oil and gas development.

Senator Jackson and Senator Tsongas promised oil and gas activity would take place in the coastal plain subject to an environmental impact statement which would have to be approved by Congress. In the spirit of compromise, they created section 1002 of Anilca, which set aside 1.5 million acres along the coastal plain of Anwr for oil and gas exploration and development.

It is not wilderness. It has never been wilderness. It has never been withdrawn. It has always been available for oil and gas development. It was once passed by the Senate, and President Clinton vetoed the bill.

I have fought now for 24 years to make sure that the promise made to me personally—made here on the floor of the Senate by Senators from Washington State and Massachusetts, Senator Jackson and Senator Tsongas—and that promise has never been fulfilled.

The Arctic National Wildlife Refuge is 19 million acres.

It is shown on this chart. The area set aside for oil and gas exploration the 1002 area, or the coastal plain is 1.5 million acres. Because of advances in technology, only 2,000 acres of this 1.5 million will be needed for production.

To put this in perspective, ANWR is about the size of South Carolina. The area needed for development is about the size of Dulles Airport. Development in the Coastal Plain is the equivalent of building an airport in South Carolina.

I want to go to chart 2 and show the Coastal Plain.

According to the U.S. Geological Survey, the Coastal Plain holds between 5.7 billion barrels and 16 billion barrels of oil.

Again, I emphasize that people are talking about 2 percent of the known reserves. We have a lot of unknown reserves, particularly in Alaska and the West, which have not been explored, and the area off our coast going toward Russia on the Outer Continental Shelf. Two-thirds of the Outer Continental Shelf of the United States has not been explored.

We are capable of producing, as the Senator from New Mexico said, a lot more oil and gas. We can produce 876,000 to 1.6 million barrels a day by developing the Coastal Plain. That would fulfill our pipeline backup. It is our country's single largest prospect for future oil production.

And, the actual amount of recoverable oil could be much larger. Remember, the first estimates at Prudhoe Bay were that there would be 1 billion barrels of recoverable oil. In the last 30 years, we have recovered 14 billion.

In 1973, at the time of the oil embargo, our country imported one-third of its petroleum. We now import almost 60 percent of our oil. By 2025, we will import almost 70 percent.

American dependence on foreign oil threatens our national security. We now rely on unstable and unfriendly regimes to meet our energy needs.

The coastal plain can produce over 36 million gallons of gasoline, jet and diesel fuel, heating oil, and other products a day. It can heat over 8.1 million homes, or provide all of the gasoline that Californians consume each day. America needs American oil.

America needs this American oil.

People who say it is only a day's supply are talking about if there were no other source of oil. It is a preposterous statement to say this area contains very little oil.

In 2004, our merchandise trade deficit was $651.52 billion, 25.5 percent of this deficit came from net imports of crude and petroleum products, which cost over $166 billion.

We are paying higher prices to meet our energy needs, and we are flushing jobs and money out of our economy.

Americans are paying more for gasoline, heating fuel, and consumer products. In the past 4 years, the average

price of gasoline has increased by $1.84 a gallon—that's a 75 percent increase!

For every $1 billion we spend to develop our domestic resources, we create 12,500 jobs. This means in 2003 we lost over 1.3 million jobs by importing oil instead of producing it here—1.3 million jobs outsourced in order to bring oil from other sources.

By developing our resources on the coastal-plain, we will create between 700,000 and 1 million American jobs. We will put up to $60 million back into the U.S. economy each day instead of sending it to foreign countries.

Probably one of the things most important to me is that our Alaska Native people overwhelmingly support development on this Coastal Plain. Out of the 231 Alaska Native villages, only one has opposed this. Yet they are the poster children for all of these environmental ads you see. One, the Gwich'in Village, opposes the initiative in this bill.

Alaskans overwhelmingly support development in the Coastal Plain; they know we can develop this resource in an environmentally responsible way.

Alaska natives overwhelmingly support development on the Coastal Plain. Of 231 Alaska native villages, only one—the Gwich'in—opposes development.

And the tide of public opinion among all Americans has begun to turn; they know development in the Coastal Plain will help lower energy prices, reduce our dependence on unstable and unfriendly regimes, and grow our economy.

Let me turn to charts 4 and 5 because I think this is very important.

We constantly hear that this is a pristine place, the most beautiful place on Earth. That is the area in wintertime. I defy anyone to say that is a beautiful place that has to be preserved for the future. It is a barren wasteland, a frozen wasteland, and there are no porcupine caribou at all there during that period of time.

The Coastal Plain is a frozen, barren land for 9 months of the year with an average temperature of minus 50 degrees.

A majority of wildlife species use the foothills of the Brooks Range, about 60 miles from the Coastal Plain.

Put up the other chart, please.

This is what it looks like in the summertime.

My colleague, Senator MURKOWSKI, the great partner I have, showed where there was one well drilled with a 6-foot pipe sticking up. The rest of it is constant, constant tundra, no trees, no beauty at all.

The porcupine caribou herd uses the Coastal Plain for only 6–8 weeks per year, when development will not take place.

The herd spends the majority of its time in Canada, which has no seasonal or bag limits for native residents. It is estimated that an average of 2,900 caribou are harvested in Canada each year.

There is no evidence that oil development will harm the porcupine herd. In fact, all evidence points to the contrary. The central Arctic herd at Prudhoe Bay has grown ten fold, from 3,000 in 1974 to over 30,000 today.

There is no evidence that oil development has harmed the reproductive activities of polar bears, a replica of which I proudly wear on this tie.

Resource development and conservation are not mutually exclusive.

Oil and gas companies use ice pads and roads to protect tundra and the ecosystem. They employ directional and multi-lateral drilling to reach reservoirs of oil and gas, which reduces the impact to the land.

In fact, the Clinton administration issued a report which demonstrated that oil and gas can be removed in an environmentally sensitive manner.

Development of the Coastal Plain will be subject to the strictest environmental standards in the world. With these standards and our advanced technology, responsible development and conservation can coexist.

Very clearly, a vote for this motion is a vote for the status quo, which my good friend Ronald Reagan used to say ''is Latin for 'the mess we're in.' ''

A vote for this motion closes our domestic energy resources to production. It's a vote for continuing to import more than 60 percent of our Nation's oil. It is a vote for outsourcing more than 1.3 million American jobs a year.

A vote for this motion is a vote to increase home heating bills and transportation costs. It's a vote to diminish our national security by relying on rogue nations and unstable regimes for our energy needs.

Who would expect a Senator to come to this Senate floor and offer an amendment that exports 1.3 million American jobs every year, will cost us $200 billion annually by 2025, and leaves our national security vulnerable to the whims of unfriendly regimes. But that's exactly what this motion does.

A vote for this motion is not just a vote against developing our domestic resources on the Coastal Plain. It's a vote for closing our Nation's single greatest prospect for future oil production and backing out of the promise that was made to Alaskans—and all Americans—when Senators Scoop Jackson and Paul Tsongas created section 1002 of the Alaska National Interest Lands Conservation Act.

A vote for this motion is a vote against Alaska Natives, who overwhelmingly support development on the Coastal Plain because they know we can balance stewardship and conservation with resource development.

We cannot continue to increase our dependence on foreign oil. We have the capability to continue to increase our production of oil and gas.

When you look at this proposal, this is an amendment to export 1.3 million American jobs overseas. It will cost us $200 billion annually by 2005. Why is it in this bill? That is the reason we want to stop that. We want to stem the flow of jobs leaving this country. We do not want to go beyond 60 in importing our oil. As a matter of fact, we want to reverse that. We want to go back to the promise that Senators Jackson and Tsongas made when they created this portion of this area, a reserve for exploration and development. The Coastal Plain has been set aside for exploration and development.

I close with this: An old bull is what they call us when they reach my age in the Senate, World War II type. We remember when a Member's word meant something in the Senate and when the word of a Member who has left the Senate was still fulfilled. We remember when the Senate would do everything in its power to honor a promise.

In our State, we quote Robert Service: ''A promise made is a debt unpaid.'' This is a debt unpaid to this Senate, to the country, to Alaska, to proceed with what Senators Jackson and Tsongas outlined in 1980, to explore for and develop that oil in the area, if it is possible to do so.

I understand other Senators wish to be yielded time.

How much time would the Senator like to have?

I yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Thank you, Mr. President. I thank the Senator. I appreciate the time.

Regarding bull moose and bull elk, it is good to hear from an old bull on the floor as well.

I wanted to talk briefly about it in a fairly broad sense, and obviously the Senators from Alaska have talked about the details. I am impressed with what they said.

I remind everyone we have recently completed an energy policy, one we worked on for a number of years. We worked on it partly as a base for the need we see in this country for energy, partly over the fact we have not had a long-term plan of where we will go. Whether it is energy, medicine, whatever, we need to start looking at the future and how we will fill our needs, how we will be able to provide for growth in the economy, provide for our families, provide for our communities. Energy is very much a part of that.

The energy policy has been very important. It looks to the future. It looks to filling our needs in a balanced policy. Policy looks to increased production, new ways of production, and more technological ways, such as horizontal drilling. In my State, they are looking at new ways of exploring for oil without having to disturb the surface. It is not what we had in the past.

I live in a place where we have areas that need to be preserved. We have lots of areas, some for double utility, so we can use it for various things, and not set it aside. We are talking here about 20 million acres and using 2,000 acres. We are edging in close to Prudhoe Bay. I have been there. It is not a wilderness area.

We have the same experience in Wyoming. We have areas that need to be set aside. There are millions of areas—from the mountains in the Refuge, on down, and there will still be ocean front—and we can have utilization of the lands, combining the two in an economically and environmentally sound way. That is what is set up here.

In our policy we included opening of ANWR as another place. We are in energy production heavily in my State, but we cannot produce enough for everyone. We need to expand that.

There are other Members who want to speak. I speak on this topic generally. We have looked at this everywhere and we should look in Alaska, as well. No. 1, we can do this without taking away the value of the Refuge; No. 2, we need to do it for the economy of the people who live there. Indian lands are right in this land. There are things that need to be done there. We need to do it to fulfill our promise to ourselves regarding the energy policy we have. I urge we continue to pursue the policy we have in place now, to increase our domestic production.

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

The PRESIDING OFFICER. The Senator does not control the time.

The Senator from Washington.

Ms. CANTWELL. How much time remains on each side?

The PRESIDING OFFICER. Senator has 37½ minutes.

Ms. CANTWELL. On each side?

The PRESIDING OFFICER. There is 4 minutes 21 seconds for the majority and 37½ minutes for the minority.

Ms. CANTWELL. Mr. President, I'll take a few moments as I wait for my colleagues to come to the Senate.

I ask unanimous consent Senators DURBIN and SALAZAR be added as cosponsors to this amendment.

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

Ms. CANTWELL. Mr. President, I ask unanimous consent to have printed in the RECORD a National Congress of American Indians resolution that states their opposition to opening up drilling in the Arctic Wildlife Refuge.

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

THE NATIONAL CONGRESS OF AMERICAN INDIANS RESOLUTION #BIS–02–056

Title: Supporting the Subsistence Lifeways of Alaska Tribes, Gwich-in, Inuplat, Tlinglit and Saint Lawrence Island Native Peoples, and of Related Indigenous Cultures in Canada and Russia, and Opposing Efforts by Multinational Economic and Political Interests that Would Endanger these Lifeways

Whereas, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants the inherent sovereign rights of our Indian nations, rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States, to enlighten the public toward a better understanding of the Indian people and their way of life, to preserve Indian cultural values, and otherwise promote the health, safety and welfare of the Indian people, do hereby establish and submit the following resolution; and

Whereas, the National Congress of American Indians (NCAI) was established in 1944 and is the oldest and largest national organization of American Indian and Alaska Native tribal governments; and

Whereas, the subsistence traditions of Alaska Native peoples and other related indigenous peoples vary considerably among regions and cultures, but are tied together by the common strands of their importance for indigenous cultural survival, and their vulnerability to attack from outside interests that lack respect for these subsistence traditions and would destroy or endanger these traditions in pursuit of their multinational economic or political objectives; and

Whereas, like the Yup-ik people of the Akiak Native Community and the Yukon-Kuskokwim Delta of southwest Alaska, the Gwich-in Athabascan people of eastern Alaska and Canada's Yukon Territory, the Inuplat people of northern and western Alaska, the Saint Lawrence Island Natives of the Bering Sea, the Siberian Yup-ik familial relatives of Saint Lawrence Islanders who live on the Russian side of the Bering Sea, and other indigenous peoples of eastern Siberia, all depend on the perpetuation of their various subsistence traditions across the generations for the very survival of their indigenous cultures; and

Whereas, legal barriers and ecologically destructive practices imposed by multinational political and economic interests can and have disrupted indigenous hunting traditions in places around the world, and even where these disruptive actions may have ultimately proven temporary in nature, they have interfered with the perpetuation of indigenous subsistence traditions across the generations, thereby threatening the very survival of indigenous cultures; and

Whereas, the cultural survival of the Gwich-in is so tied to the survival and continuation of the migratory cycle of the Porcupine caribou herd of Canada and Alaska that the Gwich-in are known as the People of the Caribou; and

Whereas, the Inupiat people have likewise been referred to as the People of the Whale because of their profound cultural relationship with the bowhead whale, which provides the foundation of their subsistence diet, and serves as a central organizing factor for a culture that is largely structured around whaling crew affiliations and associated familial relationships; and

Whereas, the Saint Lawrence Island Natives are likewise dependent upon whaling for their cultural survival, and the Native peoples of eastern Siberia have only recently begun the difficult task of trying to reclaim and reinvigorate subsistence whaling traditions suppressed under decades of Soviet rule; and

Whereas, the people of Southeastern Alaska are likewise dependent on herring for their subsistence lifeways; and

Whereas, all Alaska Natives dependent on the riverways for their traditional lifeways related to the salmon; and

Whereas, all of these subsistence traditions are currently threatened by multinational political and economic interests that place them at risk; and

Whereas, the cultural survival of the Gwich-in people is threatened by multinational oil companies and pro-industry officials in the highest ranks of the United States government forces that would callously place the survival of the Porcupine caribou herd at risk, by gambling that oil exploration and development on the herds calving grounds in the Arctic National Wildlife Refuge of Alaska would not have the devastating effects on the herd that many biologists and people with indigenous knowledge of the caribou believe such actions would; and

Whereas, the cultural survival of the Inupiat people, the Saint Lawrence Island Natives, and the indigenous peoples of eastern Siberia is likewise threatened by recent developments before the International Whaling Commission. where Japan succeeded in blocking the allocation of whaling quotas for Alaska Natives and indigenous Siberians, beginning in 2003. and did so solely out of a desire to retaliate against the United States for its opposition to the resumption of a commercial whaling Industry in Japan; and

Whereas, it is morally wrong and a violation of basic human rights for multinational corporations and national governments to place the survival of indigenous cultures at risk, especially to pursue excess wealth or international political advantage, and it is important that the NCAI oppose these assaults on indigenous lifeways that are currently being perpetrated on the international stage.

Now therefore be it resolved, That the NCAI does hereby oppose the efforts of multinational oil companies and certain high ranking federal officials, to open the Arctic Refuge to all exploration and development in complete disregard of the risks such actions would create for the cultural survival of the Gwich-in people of Alaska and Canada, and calls upon the government of the United States to reject any and all proposals that might create such risks; and

Be it further resolved, That the NCAI similarly opposes the efforts of commercial fishing interest which adversely affect the subsistence salmon and herring traditional and customary fishing rights of all Native Tribes of Alaska: and

Be it further resolved, That the NCAI similarly opposes the efforts of the government of Japan and Japanese commercial whaling interests, to play international power politics by shutting down indigenous whaling in Alaska and Siberia at the expense of indigenous cultures that must be allowed to survive and perpetuate their way of life, and calls upon the governments of the United States, Russia and Japan to take appropriate steps to end this callous and abusive mistreatment of indigenous cultures on both sides of the Bering Sea border; and

Be it finally resolved, That this resolution shall be the policy of NCAI until it is withdrawn or modified by subsequent resolution.

Ms. CANTWELL. Mr. President, while I am waiting for some of my other colleagues to speak, I point out a couple of things about this process. I showed a chart earlier that Americans across the country, and certainly the news media covering this, say this budget process is not the way to go about the opening up of the Arctic National Wildlife Refuge. More importantly, there are issues that are precedent setting and raise concerns such as, do my colleagues want to debate the fact that they think 50 votes versus 60 votes is the way to do this policy?

As a Senator from a State that now has to endure a survey for drilling off the coast of Washington, off the coasts of Oregon and California—and the Energy and Natural Resources Committee has been discussing opening drilling off the coast of Florida—this policy in the

underlying reconciliation bill is a very dangerous precedent. That is, that if you can go to a budget process and open up drilling, why can't you open up drilling in any other part of the country through this process?

I guess it is no surprise that the House of Representatives has actually already moved on legislation trying to open up drilling in other areas of the country. It is not a fantasy on my part that other Members of the other side of the aisle could be promoting drilling and could use a budget process for the same maneuver being used here. It sets a very bad precedent, a backdoor scheme.

Because what we are basically saying is that those oil interests are above the public interests, and they do not have to meet the same requirements. For example, the National Environmental Protection Act. I have heard a lot about Scoop Jackson today. My colleagues should remember who wrote the National Environmental Protection Act and got it passed. It was Senator Scoop Jackson. We are very proud of that. Why would we take NEPA and limit the alternatives that could be considered under this bill for proposal impacts to the environment? That is what it does. By throwing this language in the budget resolution instead of a normal process, we are limiting NEPA. We are limiting judicial review. Why should we limit judicial review? We do not do that in other areas of oil drilling, but for this more pristine of areas we will limit judicial review? All because we are doing it through the Budget process.

We will also be limiting the role of the Fish and Wildlife Service. Aren't they an integral part of planning for production in various parts of the country? Why can't current Bureau of Land Management regulations that provide for the Fish and Wildlife Service be used to provide for the protection of fish and wildlife? The answer is the Bureau of Land Management and Fish and Wildlife Service are out of their normal role because we put this in the budget process.

What about compatibility? Why does this legislation assume that oil and gas activities cannot be undertaken in a manner compatible with the Arctic Wildlife Refuge?

Transportation. The chairman has removed consideration in this underlying bill authorizing oil and gas from the coastal regions, which is unusual language considering there is a whole range of issues, including pipelines, ports, and systems. Again, NEPA, judicial review, Fish and Wildlife, Bureau of Land Management, transportation, and other compatibility issues are not being addressed because we are throwing this in the budget process.

What about the leasing provisions? I have talked a lot about this and I would love it if my colleagues from Alaska would support an amendment I plan to offer that specifies this cannot go forward until we verify that it is a 50–50 split or that it isn't going to go forward. This Senator would love to know that my colleagues from the other side of the aisle are so certain this is going to be a 50–50 revenue split that they are willing to support clarifying in the language that the actual opening up of the Arctic National Wildlife Refuge cannot go forward unless it is a 50–50 split. If they are so certain that is going to happen, they should be willing to support my amendment.

As far as the economic issues, I guarantee my State constituents know very well where their oil comes from. In fact, that has been the big complaint for a good part of the last 36 months, the fact that the FTC and other entities keep reminding the Northwest they are an isolated market getting oil from Alaska, yet our prices have gone up to over $3 a gallon.

My constituents, who are getting squeezed at the gas pump, want two things. They want us to have a price investigation and make sure that price gouging is not going on and do something to protect them. And, two, they want something that will bring true competition to the price of fossil fuels and help them in not facing high fuel costs in the future.

Even the Energy Department says it is not going to help my constituents. The Energy Department says in the peak years of production it would reduce prices a penny a gallon. I guarantee my constituents want more than a penny a gallon reduction in gas prices. They are not going to wait 20 years to get that. My constituents want to see real action on a price-gouging bill that we can push out of here that gives the authority to pursue the activities of record profits and make sure price gouging is not going on. They want us to get about diversifying the sources of energy we use.

Diversification will mean a lot to our economy. I can say high gas prices are costing our economy today plenty. If you want to talk about the airline industry, which has seen a 293-percent increase in fuel costs over a 5-year-period of time, yes, there are people in Washington State who are losing their jobs because of that. They want aggressive action today. They do not want to see 10 years from now 6 months of an oil supply that is not going to help them.

I want my constituents to understand a budget process that is a backdoor scheme that basically does not leave them any better off today or in the future than they are today is not a responsible solution to our energy needs. They want to see us truly come up with something that is going to get us diversified off our dependence on fossil fuels. With 3 percent of the world's oil reserves, the writing is on the wall. The United States needs to take a more aggressive action than drilling in the Arctic National Wildlife Refuge.

I remind my colleagues what the Milwaukee Journal pointed out:

> The reconciliation bill should be used to settle budget matters, not to abuse the public's trust.

That is what we are doing in this bill, trying to pass a wildlife refuge off as an oil field drilling opportunity when we are not addressing important issues. We are not addressing the environmental protections, the judicial review, fish and wildlife, the transportation issues, or the Native Alaskan issues.

We are setting down a very dangerous precedent. I don't want to see the same gimmick used for Washington State, for Florida, or other areas when this Senate thinks by sticking something in a reconciliation bill they can open up leasing of oil in the United States.

Some of my colleagues, I know, are going to talk about an important issue as part of this debate, whether this oil that is produced out of the Arctic Wildlife Refuge should remain in the United States. If this Senate believes this debate is about oil and making America more secure, getting off of our 50-percent dependence on foreign oil is what we need to do. To do that, most people will say we have to get off the fossil fuel consumption.

If my colleagues who want to support this amendment want to drill in Alaska, they ought to be willing to say the oil ought to stay in the United States. If you think it is part of our national security plan, then say it is part of our national security plan and keep it in the United States. I would go further to even say, why not create a refined product, like a jet fuel reserve, as they have in Europe? The Europeans figured out jet fuel is expensive. They have not only a strategic petroleum reserve, they have a jet fuel reserve. They figured out they do not want their airline industry subject to and their economy ruined by sudden price spikes.

I would go further than many of my colleagues in saying not only can the oil not be exported, let's put it in a specific reserve dedicated to a particular, important sector of our U.S. economy—transportation and aviation.

I look forward to my colleagues who, in committee, did not think it was such a great idea, who certainly thought that oil should be exported, who now say it shouldn't be. I am glad to see that change of opinion if that is what is going to happen in the Senate. This budget process is a backdoor end to opening a 6-month oil supply we will not see for 10 years and will not do a darned thing to help consumers now or when it is at peak production.

We shouldn't fool the American people by giving them false choices in what is not a solution, and false budget choices when we cannot even guarantee to them the $2.4 billion that is assumed in this budget.

The difference between Alaska winning and the United States winning on this debate is the difference between $2.4 billion and $480 million. So I hope my colleagues, besides looking at this

export issue and saying this oil should stay in the United States, will also look at the commitment in saying that, yes, we only think this should be opened up if the United States actually gets $2.4 billion. Because otherwise this whole scheme is a matter of false choices, false budget choices, false security choices, and false choices for the consumer. In the end, Americans are still paying high energy prices.

Mr. President, while my colleagues sort out who is going to potentially offer a second-degree amendment, I will yield the floor to discuss with my colleagues that process.

Mrs. FEINSTEIN. Mr. President, I rise today in support of Senator CANTWELL's motion to strike the provision to open the Arctic National Wildlife Refuge, ANWR, for drilling from the Budget Reconciliation Act.

Let me be clear: I am opposed to drilling in the Arctic. I am also opposed to attaching this provision to the budget reconciliation bill. ANWR is a prominent national issue, arousing the deep passions of people on both sides. Regardless of one's view on the issue, the question of whether to open the refuge to drilling warrants an independent debate on the floor of the U.S. Senate.

The refuge's coastal plain, which is what would be opened up for drilling, is the ecological heart of the refuge, the center of wildlife activity, and the home to nearly 200 wildlife species, including polar bears, musk oxen, and caribou.

Today, the Senate is going to vote to open ANWR in the most environmentally harmful way. Rather than protecting this unique habitat, the legislation before us directs the Secretary of Interior to open the Refuge for drilling based upon an environmental analysis conducted 18 years ago, in 1987.

This environmental analysis was controversial when it was originally published. It was then challenged in court in the early 1990s. However, the claims were dismissed because at the time, Congress was not actively considering legislation to drill the Arctic Refuge.

As a result, this legislation would bypass the environmental process that all drilling projects must undergo. It would also waive the normal judicial review requirements. In other words, the Senate is going to authorize opening the Refuge, and is going to make sure that there are absolutely no impediments to drilling, including the normal course of environmental and legal review.

This is simply unacceptable.

And why are we destroying this refuge? The Department of Energy estimates that opening the Refuge would lower gasoline prices one cent per gallon 20 years from now.

Let's not fool ourselves. Opening the Arctic Refuge will not lower energy prices.

If we were serious about helping people with rising energy costs, we would be talking about helping low-income Americans pay their heating bills this winter. Yet the Senate continues to vote down fully funding the Low Income Home Energy Assistance Program, LIHEAP.

If we truly wanted to bring down gasoline costs, we would be talking about increasing fuel economy standards in our heaviest, most polluting vehicles.

Yet, instead, we are talking about opening one of our Nation's last pristine environments.

This giveaway comes at a time of record profits for the oil industry. Late last week, the oil companies reported their third quarter profits. The top five oil companies reported huge profit increases in the third quarter of 2005:

ExxonMobil reported third quarter profits of $9.92 billion, an increase of 75 percent from the third quarter in 2004;

ConocoPhillips reported third quarter profits of $3.8 billion, an increase of 89 percent from the third quarter of 2004;

Shell reported third quarter profits of up $9.03 billion, an increase of 68 percent from the third quarter of 2004;

ChevronTexaco reported third quarter profits of $3.6 billion, an increase of 12 percent from the third quarter in 2004; and

BP reported third quarter profits of $6.53 billion, an increase of 34 percent from the third quarter in 2004.

If Congress is truly serious about addressing the issue of high gasoline prices, then we need to take a look at why oil companies continue to make increasingly high profits and how they can reinvest those profits into improving our Nation's energy infrastructure.

Gas prices will not be lowered by opening the Refuge. At its peak, oil production from the Refuge would only be about 1 percent of world oil production.

It is not worth damaging the Nation's only Refuge for less than 1 percent of the world's oil output. This Refuge encompasses a complete range of arctic ecosystems and that provides essential habitat for many species.

It is clear to me that drilling would not give us energy security and would, in fact, carry huge environmental costs.

And this country does not even need this source of oil in order to reduce gas prices. The most effective way to reduce gas prices is to increase fuel economy standards. In a 2001 report, the Congressional Research Service wrote, according to the Energy Efficiency and Renewable Energy Fuel Equivalents to Potential Oil Production from the Arctic National Wildlife Refuge, ANWR:

> The Energy Information Administration (EIA) says that a technology-driven projection for cars and light trucks could increase fuel economy by 3.6 miles-per gallon by 2020. The fuel economy improvement through the first 20 years would generate average daily oil savings equivalent to four times the low case and three-fourths of the high case projected for ANWR oil production. Extended through 50 years, the fuel economy savings would range from 10 times the low case to more than double the high case for ANWR.

And that is an extremely modest assumption for the technology that exists today to increase fuel economy standards.

Imagine if we implemented a 30 percent increase in fuel economy standards, which is technologically feasible, according to BusinessWeek, September 26, 2005.

If this Congress were serious about increasing our energy security, reducing our dependence on oil, and lowering gas prices, we would be working on legislation that would increase fuel economy standards, not trying to drill our way out of the problem as we are doing today.

We need to find real solutions to the problems of high energy prices, energy security, and global warming. We should be encouraging energy efficiency, promoting the development of new and alternative fuels, and supporting the invention and commercialization of new vehicle technologies. This provision accomplishes not even one of these goals.

I hope my colleagues will join me in supporting Senator CANTWELL's motion to strike the provision to open ANWR to drilling.

Mr. JEFFORDS. Mr. President, I rise today in support of the amendment offered by Senator CANTWELL to strike title IV of the bill before us, the title that opens the Arctic National Wildlife Refuge to oil drilling. I do not support drilling in the refuge. But even if a Senator did, they should not support taking this action through the reconciliation process. It is inappropriate to make management decisions regarding one of our Nation's largest and most ecologically important wildlife refuges in a fast-track, procedurally limited bill. Doing so restricts the ability of the Senate and the administration to ensure that drilling is done in an environmentally sound way.

I have to agree with the ranking member of Energy Committee, Senator BINGAMAN, who stated during the markup of this title, that this title does not just open the refuge to oil drilling, it also does so in the least environmentally sensitive way possible. And, Mr. President, it does so in a manner that treats the Arctic Refuge differently than any other Federal lands or wildlife refuges.

Arctic Refuge drilling proponents repeatedly profess that oil development in the refuge would be done in an environmentally sensitive way. As the ranking member of the Environment and Public Works Committee, I want to inform the Senate that title IV of this bill is actually riddled with clauses that weaken existing environmental standards, exempt drilling from key rules, or otherwise allow oil development activities to sidestep environmental protection laws.

Let me list some of the more blatant examples for my colleagues. First, the title exempts parts of the proposed Arctic oil and gas leasing program from environmental review requirements. In particular, it declares that

the Department of Interior's Environmental Impact Statement, EIS, prepared in 1987 satisfies the requirements of the National Environmental Policy Act, NEPA, for preparation of the regulations that will guide the leasing program. NEPA is supposed to ensure that public and Federal decision makers have the most recent, accurate information concerning the environmental impacts of projects, but this clause seems to ensure the opposite. In fact, as long ago as 1991, in a case called NRDC v. Lujan, a Federal court found that due to new scientific information, Interior should have supplemented this very same 1987 EIS analysis before recommending to Congress that it allow development on the Coastal Plain.

In 2002, some 15 years after the 1987 EIS, the U.S. Geological Survey released a significant report detailing 12 years of study about the potential impacts of oil drilling on the wildlife of the Arctic Refuge. This information can, and should be incorporated as the Interior Department's consideration of drilling.

Many now question whether the existing final legislative environmental impact statement, prepared in 1987 to comply with the National Environmental Policy Act, is adequate to support development now, or whether a Supplement or a new EIS should be prepared. As I mentioned, a court in a declaratory judgment action in 1991 held that the Interior Department should have prepared a Supplemental Environmental Impact Statement, SEIS, at that time to encompass new information about the Coastal Plain. Therefore, without the language of title IV, it seems clear that either an SEIS or a new EIS would have to be prepared before drilling could begin.

The bill before us states that the Congress finds the 1987 EIS adequate to satisfy the legal and procedural requirements of NEPA with respect to the actions authorized to be taken by the Secretary of the Interior in developing and promulgating the regulations for the establishment of the leasing program. This language explicitly eliminates the need to redo or update the EIS for the leasing regulations.

There is no question that this language substantially weakens environmental review requirements. It significantly diminishes the comprehensive analysis traditionally required by NEPA, by stating that the Secretary of the Interior need consider only its preferred action and a single leasing alternative. The ''alternatives analysis,'' which is all but eliminated by this section of the bill, is the heart of NEPA. Senators supporting this provision should be fully aware that these limitations strike at the core of our country's environmental review process and requirements.

Further, this title undermines the U.S. Fish and Wildlife Service's authority to impose conditions on leases. This title states that the oil and gas leasing program is ''deemed to be compatible'' with the purposes of the Arctic Refuge. According to the Congressional Research Service, this provision ''appears to eliminate the usual compatibility determination process for purposes of refuge management.'' CRS notes that without the compatibility process, the authority of the Fish and Wildlife Service to impose conditions on leases is called into question.

Mr. President, we can do better, and we should. Reconciliation constrains the way in which Senators who are concerned about these issues, and who do not serve on the Energy Committee or the Budget Committee, are able to address them on the floor.

I would caution all Members of the Senate who have committed to support Arctic drilling only in certain cases, or only if certain other legislative or regulatory actions take place, to think seriously about whether reconciliation serves their interests and their constituents' interests. I would also caution all members, as Senators BINGAMAN and DURBIN have done, that if this language remains in the bill, it opens the door for further attempts through reconciliation to override the requirements of environmental or any other law under the guise of ensuring that we obtain revenue.

Finally, I oppose using reconciliation to open the Arctic Refuge Coastal Plain to oil drilling because I believe it is being used to limit consideration of a controversial issue. The American people have strongly held views on drilling in the refuge, and they want to know that the Senate is working to pass legislation to manage the area appropriately in a forthright and open process. Senator CANTWELL's amendment is the best way to ensure that open process is followed, and I urge Senators to support her amendment.

Mrs. BOXER. Mr. President, once again, the Senate will vote on whether to allow drilling in the Arctic National Wildlife Refuge. If it passes now, this may be the last time we vote on the issue. This may be the last chance we have to save one of America's most pristine areas. So, I want to talk about what our Nation will lose if we allow drilling to go forward.

In 1960, when President Eisenhower set aside 8.9 million acres to form the original Arctic Range, his Secretary of the Interior, Fred Seaton, noted that the area was ''one of the most magnificent wildlife and wilderness areas in North America . . . a wilderness experience not duplicated elsewhere.''

And the Coastal Plain, where oil drilling is proposed, is the area's ''biological heart''—a crucial habitat for hundreds of species of animals.

The Porcupine Caribou herd migrates through the Coastal Plain each year, and—with a population of 130,000—it is the world's largest caribou herd. Its 800-mile-long migration between Canada and the United States is second only to the wildebeests of Africa. The Coastal Plain is the principal calving ground for the porcupine caribou, so they are especially vulnerable to oil drilling.

The Arctic Refuge has the highest concentration of land polar bears on Alaska's North Slope. Polar bears are particularly sensitive to oil development because they den in winter—exactly the time oil companies want to drill.

Millions of migratory birds—over 130 species—journey thousands of miles each spring to nest and feed in the wetlands on the Coastal Plain. The birds travel from six continents and every State in America.

Oil drilling—with its associated roads, pipelines, processing plants, airstrips, and other industrial facilities—would disturb these species' nesting and foraging habitats. The birds in the backyards and skies in every one of our States could become fewer and fewer in number if we disturb the area they have depended upon for millions of years.

Finally, I want to mention the muskox, which live year-round in the refuge. Oil development would displace them from their preferred feeding areas and would reduce calving rates.

Mr. President, this is one of America's—indeed, one of the world's—wilderness treasures. It is unique, pristine, and unspoiled.

Why would we risk that? We don't even get that much oil—6 months worth of oil—and not until 10 years from now.

But don't take my word for it—just look at the reaction from America's oil companies. BP, Conoco-Philipps, and Chevron-Texaco have all pulled out of Arctic Power, the lobby group trying to open up the Refuge to drilling.

If the very companies that would put up the capital and resources do not care about drilling in the Refuge, how can anyone argue that we will be able to improve our oil supply?

If we were really concerned about energy security, we would require better replacement tires on cars, close the SUV loophole on fuel economy standards, and increase those standards overall.

Closing the SUV loophole alone would save us, in 7 years, the same amount of oil we would get from the Refuge. That is saving an Arctic National Wildlife Refuge every 7 years. Let me put it another way. In 20 years, we would save the equivalent amount of oil that we would get from three ANWRs.

Given that there is only about 6 months of oil in the Arctic Refuge and that the oil companies do not want to go there, what is this really all about?

I believe it is really about establishing a precedent for opening up other areas around the country to oil drilling.

That means off the coast of California, the Carolinas, and Florida. That means in our national parks, the Rocky Mountains, and our wetlands.

Ever since the Senate voted to pave the way for oil drilling in the Refuge

back in March, this is exactly what we have seen—repeated attempts to allow drilling in areas previously off limits. If we can open an area as pristine, as unique, and as precious as the Arctic National Wildlife Refuge, what couldn't be opened up?

And so I say to my colleagues, watch out: your backyard may be next.

Mr. President, I urge my colleagues to support the Cantwell amendment, which will protect the Refuge for our children and grandchildren.

Ms. CANTWELL. Mr. President, I ask how much time is left on each side.

The PRESIDING OFFICER (Mr. ALEXANDER). There is 22 minutes 10 seconds for the Senator from Washington and 4 minutes 21 seconds for the Senator from Alaska.

Ms. CANTWELL. Well, it is my understanding that one of my colleagues wants to offer an amendment that was part of the previous unanimous consent agreement. I would ask unanimous consent, until they figure that out, that time during a quorum call be equally divided between both sides.

Mr. STEVENS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. STEVENS. We have only 4 minutes left.

Ms. CANTWELL. Mr. President, I am happy to debate whatever amendment. Part of the previous consideration was to have a debate on a related amendment. I do not know where the Senator is in offering that amendment. Do we have a time period in which he might—if I can inquire through the Chair, does the Senator who is controlling the time on the other side know when the Senator might be available to offer his amendment?

The PRESIDING OFFICER. The Chair would have no such knowledge.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, might I inquire of the Chair, does the Senator from Washington have the floor?

The PRESIDING OFFICER. She does.

Mr. CONRAD. Without jeopardizing her right to the floor, might I make a parliamentary inquiry?

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

Mr. CONRAD. Mr. President, in terms of the time remaining, I think the Senator from Washington, as I hear her question, is wondering about the disposition of the Talent-Wyden amendment or the Wyden-Talent amendment, however it is, that was previously reserved in the unanimous consent agreement; was it not?

The PRESIDING OFFICER (Mr. GRAHAM). The agreement acknowledged that the Talent amendment would be offered but did not address a time agreement.

Mr. CONRAD. No, I don't think that is correct. I think the Talent agreement was to be within the time to noon, to be considered within that time. Is that correct?

The PRESIDING OFFICER. That is correct, but not a specific amount within that period of time.

Mr. CONRAD. Right. Mr. President, what is the time remaining on both sides at this point?

The PRESIDING OFFICER. There is 19½ minutes for the Senator from Washington—and time is running—and 4 minutes 20 seconds for the Senator from Alaska.

Mr. CONRAD. So the time for the Talent amendment or the Talent-Wyden amendment or the Wyden-Talent amendment would be controlled by the two sides who still have time remaining; is that correct?

The PRESIDING OFFICER. That is the Chair's understanding of the agreement.

Mr. CONRAD. So it would depend on the Senator from Washington and the Senator from Alaska to relinquish time for the purposes of considering the Talent-Wyden amendment; is that correct?

The PRESIDING OFFICER. For yielding time for that purpose, that is correct.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Are we still on the parliamentary inquiry?

The PRESIDING OFFICER. Yes, sir.

Mr. STEVENS. We could enter into a time agreement now, could we not, on the Wyden-Talent amendment?

The PRESIDING OFFICER. That is my understanding, yes.

Mr. STEVENS. The current time agreement refers to a Talent amendment. I ask unanimous consent that be the Wyden-Talent amendment.

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

Mr. STEVENS. Therefore, that is for the purpose of the Senator being able to yield time to Senator WYDEN to start the process.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I think my colleague from Oregon, who has been a champion on this issue throughout the committee process, is prepared to call up the Wyden-Talent amendment and to speak on it at this time.

How much time does the Senator from Oregon wish to have?

Mr. WYDEN. Mr. President, would up to 5 minutes be acceptable?

Ms. CANTWELL. Mr. President, I yield the Senator from Oregon 7 minutes.

The PRESIDING OFFICER. The Senator is recognized for 7 minutes.

Mr. WYDEN. Thank you, Mr. President.

AMENDMENT NO. 2362

Mr. WYDEN. Mr. President, I thank Senator CANTWELL for her excellent work and concur with her remarks.

Mr. President, you cannot look the public in the eye and say you are going to drill in ANWR and then ship this oil to China or one of the highest bidders around the world. That is, in my view, exactly what would happen without the Wyden-Talent legislation that is going to be offered now.

Under the legislation, the Secretary could adopt oil lease terms that ensure what is described as the receipt of fair market value. The legislation does not make any mention whatsoever of what we have heard constantly for months and months; and that is this is somehow supposed to reduce our Nation's dependence on foreign oil or increase our energy security.

So what you would have is a situation where if the highest price is in South America, Arctic oil would go to South America; if the highest price is in the Far East, Arctic oil would have to go to the Far East; and, certainly, given the insatiable demand for energy in China, I think, with the dollar being weak, as sure as the night follows the day, without the Wyden-Talent amendment, this oil would end up going to the highest bidder in the Far East, particularly the Chinese.

I do think this amendment is the very least the Senate can do to put a Band-Aid on what I think is a fundamentally flawed decision. I hope, as colleagues look at this—we had the debate in the Energy Committee—they get a sense of exactly what is involved.

With the inflated revenue projections of $2.4 billion from oil leases in the Arctic included in the budget, the Federal Government is going to be forced to sell the oil to the highest bidder to even come close to that amount. In fact, the Congressional Budget Office estimates that net Federal proceeds, over a 10-year period, would be $2.6 billion, with the initial royalties from production near the end of the decade. The budget assumes nearly all of those revenues in the next 5 years alone.

So what that means is, if we are going to have any prospect of making sure this oil goes to the United States, we have to have this legislation.

I also point out that the distinguished senior Senator from Oregon—we still describe him as the senior Senator—Mark Hatfield, shared this position for years. He was a supporter of the oil industry, but he said: By God, aren't we going to keep this oil here at home? Yet what we heard in the Energy Committee is we are concerned about the Mercantile Exchange, we are concerned about all kinds of questions about trade law. This is not about the Mercantile Exchange. This is not about trade law. This is about whether the pledge that has been made by supporters, that this oil is going to stay in the United States, gets honored.

I would like to tell my colleagues, particularly my good friend from Alaska, who said, ''Oh, it is a sure bet this oil will stay in the United States,'' that I specifically asked—I have the transcript with me—executives from BP, when they came to the Senate Commerce Committee, whether they would make a commitment to keep Alaskan oil in the United States. According to the official Senate transcript that I have, they would not make that commitment. That is why this legislation is needed. To allow

drilling, and then shipping it overseas, in my view, is a case of two wrongs making a colossal wrong.

So I hope the Senate now will accept this amendment. In my view, it is the very least that can be done to address the needs of consumers in our country.

I thank my friend from Missouri, who contacted me about his interest in this issue. With supporters of oil drilling claiming oil is needed to reduce our Nation's dependence on foreign oil, we ought to recognize that in this Senate budget reconciliation bill we are not increasing U.S. energy security by one drop of oil—not one drop of oil—unless we have the assurance that this amendment provides that the oil would stay in the United States.

I thank my colleague from Washington State for giving me this time. I appreciate the cooperation of the Senator from Missouri, who I think is prepared to speak at this time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. TALENT. Mr. President, let me make a parliamentary inquiry. How much time do I have now?

Mr. STEVENS. Mr. President, I yield the Senator such time as he requires.

The PRESIDING OFFICER. The Senator has 3 minutes 46 seconds.

Mr. TALENT. Mr. President, that is the time remaining on our side?

The PRESIDING OFFICER. That is correct.

Mr. TALENT. Mr. President, I understand we are under time constraints, and I will be brief.

I think the Senator from Oregon has made the case very persuasively. I congratulate him for raising this important issue in committee. I was concerned that if we attached this provision in committee, it might subject the whole provision relating to the ANWR part of the bill to a budget point of order, and I did not want to imperil that part of the bill.

As I said before, when I spoke on the Senate floor, I simply do not see any reason why we should cut ourselves off from accessing oil in our own country. But I think the Senator's amendment, and my amendment, is a natural supplement to the underlying purpose of exploring for oil in the Arctic. It is to increase our national security. It is to lower prices in the United States. It is to make certain we have access to oil when we need it.

In order to do that, I think we have to be certain that the oil does not go on the world market but, rather, is reserved for the needs of the United States.

Not only is this right economically because, as the Senator said, it is important, if we are going to meet the budget targets in this bill, that we have access to this oil here in the United States, it is also very important as a hedge against foreign boycotts or threats or oil blackmail that somebody may want to use against the United States. The Senator is correct, this is not something the oil companies are going to like, but this is something that is in the interest of the national security of the United States. I am grateful to him for bringing forward this idea and happy to support him in it and grateful also to the bill managers for their attitude toward it.

I yield back my time.

Mr. STEVENS. How much time remains on our side?

The PRESIDING OFFICER. The Senator has 2 minutes 8 seconds.

Mr. STEVENS. Mr. President, I state for the record, we are prepared to accept this amendment, provided it waives the Byrd rule for further consideration by the Senate and also waives the Byrd rule as applied only to this amendment in a conference report when it returns to the Senate.

I reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to inform colleagues, I will not be able to agree to such a unanimous consent request. I want everybody to know we will not be able to agree to waive this throughout the process. We might agree to waive it for Senate consideration, but we would have no assurance this would not be altered. There is no way to guarantee it might not be altered.

Mr. STEVENS. Will the Senator yield?

Mr. CONRAD. Let me finish. Then I would be happy to yield. There is no way to assure that other provisions might be added, and so we cannot agree to eliminating points of order through the whole process.

I am happy to yield.

Mr. STEVENS. Mr. President, if the Senator will yield for an inquiry, we are prepared to accept the amendment which specifically says the Byrd rule is waived for this amendment only, and this amendment, if totally unchanged, as it returns from the conference, but only this. But I am informed that—and I inform the Senator—if this goes to conference, any Senator could raise the Byrd rule against the whole report if it remains in there, unless we also waive it as to this section.

Mr. CONRAD. Let me say that the problem, my counsel informs me, is other provisions could affect this one and I cannot agree to waive all budget points of order throughout the whole process on this amendment.

We can conclude debate on this issue right now, and we are not going to vote on it until later. So maybe there is time to work through this. I want to make it clear. I have been informed by counsel I could not agree to a waiver at this point.

Mr. TALENT. Will the Senator yield for a moment?

Mr. CONRAD. I am happy to yield.

Mr. TALENT. As always, the Senator speaks with candor, and I very much appreciate that. I want to hone in on the last point the Senator made. We are not voting on this now, and we don't have to consider it now. If we can keep an open mind to see if there is some way we can work this out in the meantime, I am sure the Senator from Oregon feels the same way. I understand entirely his reservations.

Mr. STEVENS. Has the amendment been filed?

The PRESIDING OFFICER. The amendment has not been proposed.

Mr. STEVENS. Mr. President, must it be filed now to comply with the existing time agreement?

Mr. WYDEN. Mr. President, I call up the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself and Mr. TALENT, proposes an amendment numbered 2362 to the language proposed to be stricken by amendment No. 2358.

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

Mr. STEVENS. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue reading the amendment.

The legislative clerk continued the reading of the amendment:

(Purpose: To enhance the energy security of the United States by prohibiting the exportation of oil and gas produced under leases in the Arctic National Wildlife Refuge)

At the end of section 401, add the following:

(h) PROHIBITION ON EXPORTS.—An oil or gas lease issued under this title shall prohibit the exportation of oil or gas produced under the lease.

Mr. STEVENS. Parliamentary inquiry: Can that amendment be amended later, if it is left alone right now?

The PRESIDING OFFICER. The amendment is an amendment to the language proposed to be stricken. As such, it is a first-degree amendment subject to a second-degree amendment.

Mr. STEVENS. I thought we had a time agreement to ban second-degree amendments.

Mr. CONRAD. That is not correct. There is no ban on second-degree amendments. This second-degree amendment specifically provided for it.

Mr. STEVENS. Another parliamentary inquiry: Is that amendment subject to a Byrd rule point of order now?

The PRESIDING OFFICER. At this point the Chair is not aware of any reason why this amendment would violate the Byrd rule.

Mr. STEVENS. I didn't hear the Chair. Yes or no?

The PRESIDING OFFICER. At this point there is no violation. The Chair doesn't see a violation at this point with this amendment.

Mr. STEVENS. Further parliamentary inquiry: If that is adopted and brought back in the conference report, it would be subject to the same consideration?

The PRESIDING OFFICER. It would be subject to the same consideration, but there have been no arguments made to the Chair for or against a violation of the Byrd rule.

Mr. STEVENS. Another parliamentary inquiry: That is an amendment to the Cantwell amendment?

The PRESIDING OFFICER. It is an amendment to the section of the bill proposed to be stricken by the Cantwell amendment.

Mr. STEVENS. It is an amendment to the provisions in the bill.

The PRESIDING OFFICER. Yes.

Mr. CONRAD. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Has the Parliamentarian made an actual ruling with respect to the Byrd rule?

The PRESIDING OFFICER. No.

Mr. CONRAD. I want to make clear to my colleagues, what I hear happening and what I think colleagues may think just happened may be two very different things. As I understand it, the Parliamentarian has not made a ruling or a determination on this matter at this moment.

The PRESIDING OFFICER. That is correct.

Mr. STEVENS. That is correct.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, is it possible to pose a question through the Chair to the Parliamentarian as to whether, if adopted, it would be subject to the point of order under the Byrd rule?

The PRESIDING OFFICER. Once it is adopted to the bill, it is not subject to a point of order, when contained in the bill.

Mr. STEVENS. I seem to be hearing that it is because of the condition of the bill right now, that the time has not expired, et cetera. Is the Parliamentarian ruling because of the time situation or giving us an actual ruling now on application of the Byrd rule to this amendment?

The PRESIDING OFFICER. The Chair is reserving a decision on the merits of the Byrd rule as applied to this amendment because no such argument has been made.

Mr. CONRAD. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. In part, the question of the Byrd rule violation here would turn on the question of whether this scored; is that correct?

The PRESIDING OFFICER. That is part of the analysis.

Mr. CONRAD. And that part of the analysis has not yet been done, I assume, in terms of the Parliamentarian making a final determination. He has not had the evidence put before him; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. So in terms of making a decision, the Parliamentarian simply does not have all the information before him to make a judgment.

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. I thank the Chair.

Mr. STEVENS. Do I have any time remaining?

The PRESIDING OFFICER. There is 1 minute 48 seconds.

Mr. STEVENS. I will use 30 seconds.

I intend to raise a point of order against this amendment unless it is clearly ruled at the time the vote takes place that the Byrd rule will not apply to this amendment here on the floor of the Senate now, during consideration of this bill, or when the bill comes back as a conference report.

I reserve the remainder of the time.

The PRESIDING OFFICER. Who yields time?

The Senator from Washington.

Ms. CANTWELL. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. There is 4 minutes 40 seconds for the Senator from Washington; 1 minute 28 seconds for the Senator from Alaska.

Ms. CANTWELL. Is the Wyden amendment the pending amendment?

The PRESIDING OFFICER. That is correct. The Wyden amendment is pending.

Ms. CANTWELL. Mr. President, does the Senator from Oregon wish more time?

Mr. WYDEN. No.

Ms. CANTWELL. I will make a couple of comments in closing as we sort out the last on the Wyden-Talent amendment. This budget reconciliation act, as it stands now, without the Cantwell amendment striking the ANWR language, is a false promise to the American people. It is a false promise that they are going to have cheaper gas prices now or significantly cheaper gas prices in the future. It is a false promise on the amount of revenue that is going to be raised in the budget. It is a false promise that somehow this can be done in an environmentally sensitive way and that the area we have called for so long the Arctic National Wildlife Refuge can be preserved as it is. It is a set of false promises, and the American people deserve better. They know this is a time in which our country should be making serious plans to diversify our overdependence on fossil fuel and change, and they certainly don't want environmental considerations that have been long the standard for oil drilling in America to be tossed aside by a budget resolution.

They certainly don't want the fact that there have been, as one organization, the Alaska Department of Environmental Conservation said, 405 spills annually in the North Slope since 1996. They don't want to continue the trend in Prudhoe Bay and other Trans-Alaska Pipeline areas of causing 4,532 spills since 1996. The American people want to have responsible production moving forward that meets the standards that production in America has lived by. That is, by the same standards of the National Environmental Protection Act, judicial review, fish and wildlife, transportation issues, compatibility issue, protection of indigenous rights. They don't want a backdoor gimmick into helping the oil companies, who have already been making record profits, continue to make record profits on something that is going to offer very little for the American people.

I urge my colleagues to support the Cantwell amendment and to support the Wyden amendment when it comes up so we can be true to this issue and say we don't want to drill in the Arctic Wildlife Refuge as a way to get out of our problems. We want to make an investment in the right process and have oil companies live by the environmental standards they are required to today.

With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, time will be charged evenly between both sides.

Mr. CONRAD. Parliamentary inquiry: How much time remains on this amendment now?

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Washington has 58 seconds. The Senator from Alaska has 1 minute 28 seconds.

Mr. CONRAD. Time is running evenly at this point?

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. The Chair has informed us the Senator from Alaska has 1 minute 28 seconds remaining. The Senator from Washington has 58 seconds remaining. Right now they are charging the time equally.

Mr. STEVENS. I am prepared to yield back the balance of our time if the Senator is. I yield back the balance of my time conditioned on the Senator yielding back the balance of her time.

Ms. CANTWELL. I yield back the balance of my time.

The PRESIDING OFFICER. All time is yielded back.

The Senator from New Hampshire.

Mr. GREGG. Madam President, at this time we will move to the amendment offered by Senator GRASSLEY and Senator DORGAN. Hopefully they will both be here in short order to get that one started.

I suggest the absence of a quorum.

Mr. CONRAD. Will the Senator withhold for a moment?

Mr. GREGG. I will withhold that.

Mr. CONRAD. Madam President, I think it might be useful for the purposes of informing our colleagues where we are now. We have completed the debate on the ANWR issue. We now go to the Grassley-Dorgan amendment that is on payment limitations. We will then go to the Bingaman amendment on the subject of FMAP. We will then go to the Byrd amendment from 2 to 3 on the issue of visa reform. We will then go to the Lott-Lautenberg amendment on Amtrak; that is from 3 to 3:30. From 3:30 to 4:15, we will be on the McCain amendment; from 4:15 to 5 on the Murray amendment on dual eligibles; then an Ensign amendment on DTV from 5 to 5:30; then the Landrieu amendment or an amendment that I

might designate from 5:30 to 6. That uses up all of the time.

If we could alert colleagues, we have a very restricted schedule. These are the only amendments we could schedule time for and get unanimous consent. We apologize to our colleagues who wanted additional opportunities to offer amendments. It simply was not possible given the very tight time limitations of reconciliation and given the events of yesterday.

I ask unanimous consent that Senators HARKIN, OBAMA, and MIKULSKI be added as cosponsors to my pay-go amendment.

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

Mr. CONRAD. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2359

Mr. GRASSLEY. Madam President, I yield myself 15 minutes.

The PRESIDING OFFICER. Does the Senator have an amendment he wishes to call up at this time?

Mr. GRASSLEY. Yes, the amendment by GRASSLEY, DORGAN, ENZI, HARKIN, HAGEL, THUNE, JOHNSON, BROWNBACK, and FEINGOLD. It is the amendment on payment limits.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself and Mr. DORGAN, Mr. ENZI, Mr. HARKIN, Mr. HAGEL, Mr. JOHNSON, Mr. BROWNBACK, and Mr. THUNE, proposes an amendment numbered 2359.

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

Mr. GRASSLEY. Madam President, since we are talking about farm payments and since I am involved in agriculture, I want to be totally transparent that on the side I am a family farmer, I have income from that farm, and I crop share with my farmer son Robin Grassley. We don't hire labor. So whatever farm payments go with our crops, I receive 50 percent of those farm payments from the Federal farm program.

This amendment is about the family farmer. Farm programs are not just about the 2 percent of Americans who farm for a living. Farm programs are about several things, but, most importantly, they are about national security because Napoleon said ''an army marches on its belly,'' so obviously a secure food supply is very important for our national security.

Second but not often said, it is about the social stability of our Nation because any society is only nine meals away from a revolution, so a certain food supply has something to do with the stable society of any country.

The American people recognize the importance of the family farmer to our Nation and the need to provide an adequate safety net for family farmers. That is why we have had a farm program for 70 years. In recent years, however, these farm payments have come under increasing scrutiny, particularly from people who do not understand agriculture. And when you spend the taxpayers' money, there is nothing wrong with scrutiny. Critics of farm programs have argued that the largest corporate farms reap most of the benefits of these payments.

Mr. CONRAD. Madam President, might I inquire through the Chair if the Senator would allow an interruption for a unanimous consent request with respect to who controls the time in opposition?

Mr. GRASSLEY. Yes, I will.

Mr. CONRAD. I very much appreciate that.

Madam President, I would like to yield 45 minutes, the time in opposition, to the Senator from Georgia, Mr. CHAMBLISS, for his control.

The PRESIDING OFFICER. The Senator has that right.

Mr. CONRAD. I thank very much the Senator from Iowa for yielding.

Mr. GRASSLEY. That brings up a situation I wasn't aware of. I thought we had an hour equally divided. There was 45 minutes there, so do we have 1½ hours and I have 45 minutes on my side?

Mr. CONRAD. The Senator is correct.

Mr. CHAMBLISS. Would the Senator like to reduce that to an hour?

Mr. GRASSLEY. No, at least not right now. Maybe later.

Madam President, I still would stay within my 15 minutes because I don't want to use floor time that other Members might want to use.

But anyway, farm payments have come under increasing scrutiny, and that is legitimate because we are spending taxpayers' money. Critics of farm payments have argued that the largest corporate farms reap most of benefits from these payments. What is more, farm payments that were originally designed to benefit small and medium-sized family farmers have contributed to the demise of those smaller farmers as well because unlimited farm payments have placed upward pressure on land prices and cash trends and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

The law creates a system that is out of balance. This is pointed out in this first chart I have here that basically indicates—and you can look at the different lines, but the bottom line is the one I most often use—10 percent of the largest farmers in America get 72 percent of the benefits that we appropriate to help family farmers with their safety nets. I have to ask: How long are city taxpayers going to support a farm program for family farmers when 10 percent of the biggest farmers are getting 72 percent of the benefits? That is something we in rural America need to be thinking about when we are anticipating just 2 years from now—less than 2 years—having a debate on the renewal of the 2007 farm bill. Are we going to be able to maintain support in the urban-dominated House of Representatives for a farm safety net when 10 percent of the biggest farmers in America are getting 72 percent of the benefits?

I believe we need to correct our course and modify the farm programs before those programs cause further concentration and consolidation in agriculture. Today, most commodities are valued off demand. Markets dictate profitability. When farmers overproduce by expanding rapidly because of the impact of Government farm payments, then markets are not functioning. Federal farm programs are influencing even land prices across the country. Iowa land is selling between $4,000 and $5,000 an acre in counties surrounding my home at New Hartford, IA.

This amendment will revitalize the farm economy for young people across the country by making land prices and cash trends more affordable, and that is going to be most important if we are going to revitalize American agriculture by getting young people in it when you consider today the average age of a family farmer is 50 years.

My amendment will put a hard cap on farm payments at $250,000. That is the same as what is in the President's budget, meaning the Republican President's budget, meaning Republican President Bush's budget. This will take it down from the current payment, $360,000, that is allowed under existing law, under the 2002 farm bill.

Just to remind everybody, I voted against the conference report on the 2002 farm bill, and the lack of farm payments, of responsible hard caps was the reason that I did. I worked back then with Senator DORGAN, who is the main sponsor of this amendment, on a similar measure in 2002, and it passed by a bipartisan, bipartisan support of 66 to 31. The amendment, of course, was taken out in conference.

One section that was added in the 2002 farm bill set up the Commission on the Application of Payment Limitations. This was a substitute for the fact that we didn't get payment limitations; we are going to have a commission study it. This study concluded that payment limitations affect the largest producers and these producers generally have lower per-unit production costs than other producers. But the study also says smaller, less efficient producers may be able to expand production and become more efficient under further payment limitations.

Congress enacted in 1987 the Agricultural Reconciliation Act, more often

referred to as the Farm Program Integrity Act, to establish eligibility conditions that are not being abided by today for recipients and to ensure that only entities actively engaged in farming receive payments. To be considered actively engaged in farming, this act requires an individual or entity to provide a significant contribution of inputs—capital, land, equipment, labor—as well as significant contributions of services, particularly labor, or active management to the farming operation. But people have been able to find loopholes around this act, and that has facilitated these huge payments that go beyond the limits that are in law today.

Last year, I held a hearing through the Finance Committee on the GAO report that was released April of 2004. The GAO report recommended that measurable standards and clarified regulations would better assure that people who receive payments are actively engaged in farming. Of course, our USDA under both Republicans and Democrats does not want to write these regulations, does not want to enforce them, and that is why we have this legal subterfuge of getting around the payment limitations that are higher but would be effective, and I wouldn't be arguing with them if they were.

Of the $17 billion in payments that the USDA distributed to recipients in 2002, $5.9 billion went to just 149,000 entities. Corporations and general partnerships represented 39 percent and 26 percent of these entities.

I want my colleagues to look at another chart from the Washington Post of March of this year:

> If the purpose of the farm subsidies is to make family farms viable, it's hard to see why payments of more than $400,000 apiece should have gone to 54 deceased farmers between 1995 and 2003, or why the residents in Chicago should have collected $24 million in farm support over that period.

This type of arrangement, and others like it, raise questions about the interpretation and enforcement of the 1987 act that requires each partner be, according to the law, actively engaged in farming.

This is why I wrote the General Accounting Office to conduct a study. I encourage Members of this body to look at that report.

Earlier this year, the Senate went on record supporting a reform of Federal farm subsidies.

During the markup of the Senate budget resolution, I was able, with the ranking member of the committee, Senator CONRAD, to include a sense-of-the-Senate amendment expressing support for stronger farm payment limits; hence, this amendment. That amendment passed the Senate Budget Committee 15 to 7.

The committee agreed that any reconciled mandatory agriculture savings required under the resolution should be achieved through modifications to the payment limitation provisions of the 2002 farm bill.

The budget resolution also instructed Congress to find $3 billion in savings over 5 years in agricultural programs. I supported that resolution coming out of committee without offering my amendment in committee because we have a responsibility to support the chairman in moving the budget resolution along. In the Agriculture Committee, it was bipartisan. These savings consisted of cutting commodity programs, and we achieved the $3 billion savings.

The proposed amendment before the Senate would cap farm commodity farm program payments at $250,000 a year. This would encompass direct payments, countercyclical payments, loan deficiency payments, and marketing loan gains. Gains from commodity certificates would be counted toward the limitation, closing another abusive loophole.

By tightening up loopholes, this amendment would save $1.1 billion in savings over 5 years. With these savings, the Grassley-Dorgan amendment would restore 50 percent of the CRP acres cut by the committee and restore up to 75 percent of the Conservation Security Program money that was cut during the Agriculture Committee markup of reconciliation.

These savings will allow us also to prevent a 2-percent reduction in across-the-board commodity cuts that this resolution before us calls for in the 2006 crop year.

Obviously, with all the increased costs of energy, farming, and everything else, we ought to do what we can to strengthen the safety net and not weaken it. This would help prevent that 2.5-percent cut in farm programs.

Not only has the Senate agreed to some type of payment limit reform in the past, but the President in his budget, as I said, included this $250,000 cap.

The Secretary of Agriculture recently at the Commodity Club luncheon on October 6 said he has heard from producers all over the country. I attended such a forum at the Iowa State Fair, and I understand the type of feedback he received.

The concerns that have been expressed to the Secretary of Agriculture are that farm payments have been causing an increase in land values and the greatest benefits going to the largest farmers.

I have been hearing directly from producers for years exactly what the Secretary is hearing at his farm bill forums. We are hearing that young producers are unable to carry on the tradition of farming because they are financially unable to do so because of high land values, high land prices, and cash rent.

Neil Harl, a distinguished agriculture economist, now retired, from Iowa State University and one of the contributors to the commission report I referred to, has come out with another report. Dr. Harl's statement says:

> The evidence is convincing that a significant portion of the subsidies is being bid into cash rents and capitalized into land values.

If investors were to expect less Federal funding or not at all, land values would likely decline, perhaps as much as 25 percent.

I have a number of editorials supporting my position. The third one I put up comes from the Des Moines Register. Again, it refers to responsibilities I have as chairman of the Senate Finance Committee, assuming I can control every committee in the Senate, and I am willing to inform the Des Moines Register that no Senator who is chairman of the Finance Committee does. They said, in regard to me as chairman of the Finance Committee and Congressman NUSSEL as chairman of the House Budget Committee:

> Both could make a difference for Iowa's farmers and rural communities by steering adoption of payment limitations for farm subsidies. Nearly three-fourths of Federal farm payments go to 10 percent of the farms.

A fourth editorial is from a newspaper that the chairman of the Senate Agriculture Committee, I know, respects very well, the Atlanta Journal-Constitution. The Atlanta Journal-Constitution says:

> As time has gone by, smaller farmers most in need have received less and less of government's support and corporate-like farms more and more.

Their arguments for payment limitations.

By voting in favor of this amendment, we can restore the cuts that have been made to the commodity and conservation programs and lessen Government support to corporate farmers.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. Madam President, I ask for 15 seconds.

We can restore what we cut to family farmers in the resolution. We can allow young farmers to get into farming and lessen dependence on Federal subsidies. I hope my colleagues will support this commonsense amendment.

I yield the floor and reserve the remainder of my time. I ask people who want to speak in support of the amendment to please come to the floor so we can expedite this debate.

I might say that I have all sorts of respect for the Senator from Georgia. He is a tough competitor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. Madam President, I don't take that as a sign of weakness, but I appreciate the comment from my fellow Senator from the great State of Iowa who, like myself, comes from a strong agriculture production State. I will have a little bit more to say about that in a minute.

Madam President, I rise today to make a few remarks, first, about S. 1932, the Deficit Reduction Omnibus Reconciliation Act of 2005, that is being considered by the Senate this week.

According to the Congressional Budget Office, this bill would reduce mandatory spending by a total of $39 billion over 5 years as compared to current

law. As chairman of the Senate Agriculture Committee, I know very well that restraining the growth of Federal spending is a very challenging task. It is a difficult job that most Senators, including myself, would prefer we not tackle, yet we must tackle. We must reduce growth of mandatory spending to get the deficit under control because that is increasingly where the bulk of Federal spending occurs.

This is the first bill in 8 years that reduces the growth of such spending. Most importantly, this bill achieves these savings mainly by reforming mandatory programs rather than cutting benefits to low-income individuals families.

The fiscal year 2006 budget resolution instructed the Committee on Agriculture, Nutrition, and Forestry to reduce outlays by $173 million in fiscal year 2006 and by $3 billion over the 5 years covering the fiscal years 2006 through 2010 within mandatory spending programs under the committee's jurisdiction.

CBO estimates that title I of this bill reduces mandatory outlays in the Agriculture Committee's programs by $196 million in fiscal year 2006 and $3.014 billion over 5 years.

The fiscal year 2006 savings amount is actually $23 million more than our instruction for that year, and the 5-year savings is $14 million higher than the committee's instruction.

As a result, title I of the bill fully complies with the Agriculture Committee's reconciliation instruction under the fiscal year 2006 budget resolution.

Title I of the bill reflects the thoughts and suggestions of a broad array of agriculture conservation and nutrition groups, all of whom care deeply about the Agriculture Committee's mandatory spending programs. The Congress worked hard to write a farm bill in 2002. This title achieved savings from the farm commodity programs, but does so in a way that leaves the structure of farm programs unchanged. The title achieves savings in our conservation programs, but it does this in a way that does not impact existing multiyear contracts in any program. The title achieves modest savings in our research programs, but it does this in a way that allows the basic structure to remain intact and recognizes past funding levels.

Also, importantly, the title preserves budgetary resources for the upcoming 2007 farm bill debate generally suspending spending reductions in fiscal year 2011. None of the outlay savings in the Agriculture Committee's title of the bill comes from the Food Stamp Program, despite the fact that this program accounts for nearly half of the mandatory spending in the committee's jurisdiction.

I have heard concerns about achieving savings from the Food Stamp Program from Senators on the Agriculture Committee, off the Agriculture Committee, and from Senators on both sides of the aisle, and we reacted.

My view is that the Food Stamp Program supports poor and low-income families trying to put food on the table and helps farmers by increasing the food purchasing power of those families. It is a win-win program for American agriculture and for America.

As we move forward in the reconciliation process, I intend to oppose attempts to make any substantial cuts in the funding to the Food Stamp Program. I have made that very clear from day one, and I continue to maintain that position today.

While I support the reconciliation bill, I would like Senators and others to know that we plan to work, hopefully in a bipartisan manner, to provide disaster assistance to farmers and ranchers and others in need of separate legislation in the wake of Hurricanes Katrina and Rita and other adverse weather events.

In the aftermath of these dramatic events, farmers are struggling with production losses, sharply higher energy prices, and lower farm prices. I will oppose amendments that attempt to address disaster assistance for agriculture in this bill.

It is my hope that the Senate will support this bill and, in particular, will not seek to make any changes in the provisions of title I.

I adamantly oppose any amendments that will change farm policy. We made a contract with our farmers in the 2002 farm bill, and we, as legislators, have an obligation to honor that contract that we made with our farmers in 2002. We owe it to our farmers that the structure of this farm bill does not change until 2007, when reauthorization will be considered in Congress.

My colleagues need to understand that if we have to redebate major provisions of the farm bill every time we engage in a budget reconciliation process, then we will rapidly reach a point where it will be impossible to gain needed support from U.S. agriculture.

I reiterate that under the circumstances of the current deficit, I do not relish making these spending reductions, but I believe that we owe it to the American people to help reduce the growth of mandatory spending.

With respect to the amendment offered by Senator GRASSLEY, my goal in crafting the agriculture title of this reconciliation bill was to trim spending of agriculture programs rather than make sweeping policy changes. Senator GRASSLEY's amendment makes significant policy changes. This debate should occur during reauthorization of the next farm bill. It is a complex issue that deserves thorough discussion when all of our farm policies are reviewed in 2007, not on the Senate floor during budget reconciliation.

Let me first say that the chart that Senator GRASSLEY put up I have no doubt is correct, when he says that 10 percent of the farmers in this country received 72 percent of all payments. The fact of the matter is, 10 percent of the farmers in this country produce more than 72 percent of the products that come off the farm. It is not surprising that the folks who produce crops are the farmers who are getting Government payments. That is what farm policy—good farm policy—is all about. Poor farm policy will provide payments to those folks who are not producing. But we have a good farm policy in place today.

The Farm Security and Rural Investment Act of 2002 authorized a commission on payment limitations for agriculture. This has been alluded to by Senator GRASSLEY in his comments.

The purpose of the Commission was to conduct a study on the potential impact of further payment limitations on direct payments, countercyclical payments, marketing assistance loan benefits on farm income, land values, rural communities, agribusiness infrastructure, planning decisions of producers affected, and supply and prices of covered and other agricultural commodities. This is a very broad array of issues which was to be looked at by this Commission.

Here is the first recommendation that the Commission stated, the Commission that Senator GRASSLEY previously alluded to:

> The 2002 farm bill establishes farm payment programs including payment limits through the 2007 crop year. While farm bills can be changed, their multiyear nature provides stability for production agriculture. Producers, their lenders and other agribusiness firms make long-term investment decisions based on this multiyear legislation. Consequently, if substantial changes are to be made in payment limits, payment eligibility criteria, or regulations administering payment limits, such changes should be part of the reauthorization in the next farm bill.

Basically what the Commission that Senator GRASSLEY alluded to is saying is in 2002 we entered into a contract with farmers all across America—in Iowa, in Georgia, in Arkansas, in California—wherever they may be. Based upon the contract this body agreed to with farmers across America, those farmers went to their bankers, to their equipment manufacturers or retailers, to any number of other individuals who own land, they entered into rent agreements, they entered into loan agreements and long-term purchase agreements for farm equipment.

I might mention, farm equipment today, whether it is in Iowa or Georgia, is not cheap. A cotton picker in Georgia costs about $250,000. I am sure a soybean combine costs just about that much also, even though you can use it for corn and, by changing heads, other commodities such as wheat. A cotton picker can be used for one thing, and that is to pick cotton.

But we made a contract with those farmers, and they, in turn, made obligations with other individuals based upon the contract we had given them. Now some of my colleagues want to go back and reopen the farm bill and have the debate which we had in 2002, the last time there was a vote on the Senate floor. The House has not taken up

this issue. The House understands what the obligation of their body is. But here we are, trying to reopen this bill one more time.

Let me tell you specifically what farmers are going to be faced with if this amendment should pass. Senator GRASSLEY refers to the fact that he is reducing payment limit caps from $360,000 down to $250,000 per year. That is right. That is a debate that we had during consideration of the 2002 farm bill. It is an issue we will debate again in 2007. In fact, because of comments from Senator GRASSLEY as well as others who feel strongly about this, we reduced the caps in the 2002 farm bill from $450,000 in the 1996 farm bill down to $360,000; we reduced it by $90,000. We will have that debate in 2007. That is the time to argue for lower payment limits.

In addition to that, the lower payment limits that are provided in this amendment will reduce direct payments from their current level of $40,000 down to $20,000. So whether you are an Iowa corn farmer or you are a Georgia peanut farmer or a California cotton farmer, your direct payments are going to be cut in half in the middle of the stream, even though you have made commitments out there which you are going to have to honor. You signed notes with your banker, with John Deere, AGCO or whoever it might be, to purchase equipment. Your direct payments are going to be cut in half.

Let me tell you exactly how that works. Last year, there were $12.5 billion in farm payments made. Guess where 10 percent or $1.3 billion of those farm payments went. It went to the State of Iowa, to farmers in Iowa, because they had a tough year last year. Because of the high yields of corn, the price dropped significantly, and under the countercyclical programs, Iowa farmers got 10 percent of all payments.

Under the rationale Senator GRASSLEY has put up on this chart here, that this is unfair because 10 percent of the farmers get 72 percent of the payments—10 percent of the payments went to one State. Do I think that is unfair? Absolutely not. Because that is the way the farm bill was designed.

When Iowa farmers have it tough, we have an obligation to extend a helping hand to them. When folks in Georgia have a tough time in agriculture, or in Arkansas or in Texas, we have an obligation to extend a helping hand.

When times are good, yields are good and prices are good, farm payments are very low. In fact, when the 2002 farm bill was passed, there was a lot of criticism coming from the same newspaper editorials to which Senator GRASSLEY just alluded. One of them is in my State. I wear any negative editorial from the Atlanta Constitution as a badge of honor because they are anti any major industry in our State, including the No. 1 industry, which is agriculture.

In the 2002 farm bill, we established good policy for the countercyclical payments to be made in those tough years. It was projected by CBO that we would spend $52 billion over the first 3 years of the farm bill, and that is the figure that was continually alluded to by editorials and those who were critics of the farm bill—not necessarily for the first 3 years, but that was a provision in the farm bill that was the most criticized.

The fact is, even though it was projected that we would spend $52 billion, we had good yields and good prices all across farm country, and our farmers and ranchers only received $37 billion. So we had savings of $15 billion. Have you seen any of these editorials from these newspapers saying thank you to the American farmer and the American rancher for saving us $15 billion? Absolutely not. But here again we are, in spite of the fact that we have had these savings, we are coming back now and saying: Sorry guys, we want to dip into your pocket a little bit more. We want to change your program, irrespective of what commitments you have made, and we are going to change your farm program and we are going to change your farm bill in midstream instead of letting it run through 2006 and 2007 and renegotiate the farm bill in 2007 as we are required to do right now.

I have strong objections to this amendment, not just because I think good agricultural policy is going to be affected by this, because I as a Member of the Senate do not think it is fair to look American farmers and ranchers in the eye and say: Look, I know we made a commitment to you, but sorry, ladies and gentlemen, we are going to change the way we do business. We are not going to honor the commitment we made to you.

That is wrong. It is wrong for America, and it is certainly wrong for American agriculture.

With that, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COCHRAN. Will the Senator yield time to me?

Mr. CHAMBLISS. I am happy to yield as much time as he may consume to Senator COCHRAN, the chairman of the Appropriations Committee.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Let me congratulate the distinguished Senator from Georgia for his leadership in our committee as the chairman of the Agriculture, Nutrition, and Forestry Committee in bringing to the Senate a section of this reconciliation bill that contains changes in current law that will help achieve the goals of the Budget Act. I hope we will not be sidetracked now by an amendment that suggests that there is a better way to do what we have already done. In fact, to approve the amendment offered by my good friend from Iowa would reinvade and urge the Senate to reconsider a farm bill that was passed 3 years ago. It has a life of 5 years. It is the framework for decisions that are made on farms all over America about what to plant and how to arrange financing, and these plans are made in advance. You cannot just change the rules from one year to the next and expect to have a dependable source of revenue to sustain an economy, a farm economy that is so important to our Nation.

This issue of payment limitations was debated fully during consideration of the farm bill 3 years ago. Payment limitations were included in that bill. It is now the law of the land. Farm plans, including planting decisions and financing decisions, have been made in reliance on that law. The payment limit structure within the law is a provision that was fully discussed and incorporated after careful deliberation. This proposal to change that law in the name of reconciliation under the Budget Act undermines the objectives of the Congress to provide a stable and predictable farm policy. The payment limit amendment offered by my friend will have a serious and adverse effect on farmers in Southern States in particular.

Farmers in my State are suffering from the consequences of Hurricanes Katrina and Rita. Add to that the record-high energy prices, and you have a recipe for total disaster. This amendment would be a fatal blow to an already beleaguered sector of our State's economy. This is not the time to make such a significant change in agriculture policy.

Incidentally, the World Trade Organization Doha Round in Hong Kong this December might result in the need to restructure U.S. farm policy. But the appropriate time to consider possible changes resulting from international trade agreements will be when we debate the next farm bill, which will be 2 years from now.

I urge Senators to oppose this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Madam President, I hope it is not wrong for me to say who wants to speak. Senator HARKIN wanted 10 minutes, and Senator DORGAN wanted me to save him 10 minutes. I urge they or anybody else who would want time from me to come over. That is all the time I am going to use right now.

The PRESIDING OFFICER. Who yields time?

Mr. CHAMBLISS. Madam President, will you tell us what time is remaining on each side, please?

The PRESIDING OFFICER. The Senator from Georgia has 22 minutes 19 seconds remaining. The Senator from Iowa has 24 minutes 23 seconds.

Mr. CHAMBLISS. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. BUNNING. Madam President, I rise today to express my support for the Deficit Reduction Act of 2005.

This bill is an attempt to finally make a dent—even a small one—in the

mandatory spending that is threatening to engulf the Federal budget.

With mandatory spending currently accounting for over 50 percent of all Federal spending and projected to grow higher—it must be on the table whenever we examine the budget and the deficit.

In addition to serving on the Budget Committee, I also serve on three of the committees that passed language that is now part of the bill that we have before us.

I can tell you that in each of those committees, it took a lot of hard work and a lot of compromise to arrive at the language in this bill.

Difficult compromise means that hardly anyone is 100 percent happy with the final product.

For instance, I am disappointed that the Finance Committee did not include restrictions on intergovernmental transfers in its package.

Intergovernmental transfers are financing schemes that some States use to pull down more Federal Medicaid dollars than they are entitled to.

For example, some States overpay local government health care providers, and then require the providers to return the excess funds to the State.

The Finance Committee missed an important opportunity to curtail these abuses, and I hope we can rectify this as the bill moves through Congress.

There are, however, parts of this bill that I think are of staggering importance to this country.

In particular, I worked with Senator DOMENICI and others in the Energy Committee to see that ANWR language was included in this reconciliation bill.

As prices continue to rise at the gas pump, and a barrel of oil continues to be high, America needs to increase its domestic supply of energy and reduce our reliance on foreign oil.

Several months ago, I traveled to ANWR and saw firsthand how energy companies will develop it into a viable energy source.

After visiting sites in Alaska, there is no doubt in my mind that we can develop ANWR in a safe and effective manner.

Once developed, ANWR will provide the United States with nearly 1 million barrels of oil a day or 4.5 percent of today's consumption for the next 30 years.

This nearly matches the oil that we import from Saudi Arabia each and every day.

I also want to address the fact that much of the debate here on the senate floor yesterday, and last week in the Budget Committee, was not about this bill that we have before us today.

The ranking member of the Budget Committee wants to talk about a bill that we will likely mark up in the Finance Committee next week—the growth package.

The ranking member and his colleagues are constantly talking about how we can't afford the ''tax cuts'' that the growth package is expected contain.

My answer to that is this: The growth package will not be about tax ''cuts''. It will be about stopping tax increases.

Let me say that again: The growth package will not be cutting taxes; it will be stopping tax increases that will affect American families.

Although my friends on the other side of the aisle may not want to admit it, there are large tax increases on the horizon unless this Congress acts.

I am referring to the tax increases our constituents will feel in their pocketbooks and wallets if we fail to extend current tax law.

The so-called ''tax cuts'' the other side keeps refering to are really nothing more than just keeping current tax law in place.

There are over 40 provisions that American families and employers have come to rely on that will expire at the end of this year if we do nothing.

These are provisions in current law that are important to our constituents and to our economy.

Let's take a look at the items that the Finance Committee, which I serve on, will likely examine soon.

First, there is the alternative minimum tax hold-harmless provision. That one alone will cost about $30 billion to extend for just 1 year.

Madam President, 80,000 Kentuckians face a tax increase if that provision is not extended. And, looking at our neighbors, 235,000 Ohioans and 30,000 West Virginians will also face tax increases if it is allowed to expire.

The R&D tax credit will expire at the end of this year unless we act.

This is an important provision of the Tax Code that spurs innovation and new technologies and one that I and many others here support.

In fact, the bill introduced in the Senate in the last Congress to make this provision permanent had 40 cosponsors, including 22 Senate Democrats.

A lot of other important provisions will also expire if we do not act:

The deduction of tuition expenses—affects 36,000 Kentuckians;

The low-income savers credit—affects 94,000 Kentuckians;

The tax deduction for teachers for their classroom expenses—affects 38,000 Kentucky teachers;

And the low-income savers credit which, in 2003, affected 94,000 low-income Kentucky taxpayers.

These are Kentuckians who do not deserve a tax increase. And I am going to do all within my power to make sure that they do not get one.

But again, our friends on the other side of the aisle will say that I am just telling half the story.

What about the dividends and capital gains 15 percent rate extension, they will ask.

After all, they argue, you Republicans want to extend that and that only helps the rich.

Well, first of all, it is really hard to dispute the positive impact that the 15 percent rates have had on the macroeconomy.

Dividends paid by companies in the S&P 500 are up 59 percent since the tax cut was implemented, and capital gains tax revenue to the Federal Government is set to exceed the CBO forecast by $16 billion in fiscal year 2006.

But let's talk about which taxpayers are benefiting from these 15 percent rates.

In my State, 18 percent of taxpayers benefited from the reduced rate on dividend income and 13 percent benefited from the lower rate on capital gains income in 2003.

Again, to look at some of our neighboring States, in West Virginia 17 percent of taxpayers reported dividend income and 11 percent reported capital gains income.

In Ohio, 24 percent reported dividend income and 16 percent reported capital gains income.

This is especially interesting when you consider that both Kentucky and West Viriginia have median incomes below the national average.

And yet a large number of our taxpayers report receiving capital gains and dividend income.

And this does not even count the workers and retirees who hold these assets inside their 401(k)s and other tax-deferred saving vehicles.

The fact is, dividends are important to millions of families.

According to 2002 irs data, nearly two-thirds of the taxpayers reporting dividend income had adjusted gross incomes below $75,000.

And the average dividend received by those with A.G.I.'s below $75,000 was over $1,700.

As we all know, these dividends are very important to the elderly.

Many of our retired folks rely on dividends to supplement their fixed incomes from pensions and Social Security.

While it is true that these lower rates don't sunset until the end of 2008, it is important that we send a message to the economy by extending these rates this year.

Investors and financial markets will grow increasingly uncertain about the future tax treatment of dividends and capital gains as 2008 gets closer, if we have not done our job by making these provisions permanent.

We just cannot risk adding unwanted volatility into the markets and the economy—which continues to grow.

So, again, let me be clear—the proposals that we are talking about extending in the growth package that we will likely see soon are not new tax proposals—this is simply current law.

If we do not extend these provisions we will cause a substantial increase in the tax bills of American families and businesses.

In closing, I wanted to say a word to those who are complaining about the ''cuts'' in spending contained in this deficit reduction package on the floor today.

The facts show that spending has grown rapidly in the last few decades.

In just 3 years, from 2001 to 2004, total Government spending increased by 23 percent—an increase of over $400 billion in just 3 years.

Despite what we might hear today, we have greatly increased spending in a number of areas—including education and veteran's health care, in addition to homeland security.

Let's keep that in mind as complaints are being made about the bill before us today.

I urge my colleagues to pass this bill and I look forward to further debate.

Mr. GRASSLEY. I yield myself a minute and a half.

Madam President, this amendment and this discussion both are not about the cost of production of agricultural commodities. This amendment and this discussion are about payment limits and the need to prevent public funds from being used by the biggest producers to become even larger by bidding up cash trends and capitalizing their extra profits from production into land values.

There is public interest in this being the result of Federal farm programs, and all except the very largest farmers know that and support this effort.

Focusing on costs of production is totally meaningless, unless one also includes the revenue from production.

Every crop has a different set of numbers on cost and a different set of numbers on revenue produced. Those numbers vary from crop to crop, and, to a degree, vary from region to region and year to year.

The farm program support levels have never been set on the basis of cost of production or on profitability, taking revenue into consideration. Support levels have been set by the Congress, not by some index based on cost of production.

Moreover, this is not about inefficiency, as some have argued for years. The largest producers, with extra profit from their size or scale, from discounts received in input, and from premiums received for volume production are not passed along to consumers. Those extra profits are used to bid land away from midsize and smaller operators.

Keep in mind that these programs are not entitlement programs. The purpose is to stabilize the sector and provide an income supplement when commodity prices are low.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAMBLISS. I am pleased to yield such time as she may consume to my good friend from Arkansas, Senator LINCOLN.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Thank you, Madam President. I thank the chairman of the Agriculture Committee for offering leadership on this issue and certainly his friendship.

I rise today in opposition to the underlying amendment regarding further payment restrictions on the farm safety net.

This issue of payment limitation is not a new topic of debate. Unfortunately, it remains a largely misunderstood issue for many—both inside and outside the beltway.

As a member of the Senate Agriculture Committee, I suppose I take for granted that not everyone pays close attention to farm policy that we set. But they certainly pay attention to the fact that the grocery store shelves in this great country are always full and that they get the safest and most abundant and affordable food supply in the world. They pay less per capita than any other developed nation on the globe for this incredible food source.

Our producers do it with all of the many things that Americans want to be taken into consideration, whether it be the environment or the economics, and they take into consideration the regulations. Our farmers, our producers in this great land, are the most productive, the most efficient of any across this globe.

I have to say, as a farmer's daughter, that I take pride in telling others about the farmers I represent and what American farmers provide this Nation and the entire globe.

Today, I come to the floor of the Senate to attempt to provide some clarity to this issue that has been misunderstood.

Above all else, our farm policy seeks to do one thing for producers of commodities: That is to provide a strong level of support to producers against low prices brought on by factors completely beyond their control, including foreign subsidies—some that are five and six times higher than the help that we provide our farmers in this country.

Think about that. I wish I had Senator CONRAD's charts that always show the disproportionate share of subsidies of the EU, in particular, but other countries which provide their producers to remain competitive in a global marketplace.

As I have traveled my State since we enacted the 2002 farm bill, I can tell you that Arkansas farmers view our agriculture policy as a contract, an agreement, that they have made between themselves, their lenders, and their government. They should. They should be able to look their government in the eye when an agreement such as the 2002 farm bill is made and say, We have a deal. We understand that in the next 5 years we are going to work as hard as we possibly can with all of the variables that we get, whether it is weather that we have no control over or trade that we have no control over, whether it is multiple, different variables that they have no control over. But they know that their government has made an agreement with them and that their government will stand by that agreement as they make their plans for the enormous amounts of capital investment they have to invest in those five crop years, knowing that some will be better than others but that they can figure out there will be some consistency in the agreement they have made with their government on the program that will allow them to be competitive in a global marketplace.

I am here to urge my colleagues in this Chamber that today is neither the time nor the place to break that contract and agreement that we have made with our farmers.

This budget reconciliation process should not be used to make a policy change of this magnitude. The underlying amendment will effectively do exactly that for the producers in my State of Arkansas and many States across this Nation.

But my colleagues don't have to take my word for it on this matter.

A bipartisan commission established as a part of the farm bill to conduct a study on the potential impact of further payment limitations raised the same cautionary note. This 10-person commission was comprised of 3 members appointed by the Secretary of Agriculture, 3 members appointed by the Senate Agriculture Committee, 3 appointed by the House Agriculture Committee, and finally the chief economist of the Department of Agriculture.

These facts alone should be enough for each of the Members of this body to take their recommendation seriously.

I have taken the time to become familiar with their backgrounds and with their report, a report that was nearly 2 years in the making—not something that popped up overnight but something that was thoughtfully done to recognize how important a safe, abundant, and affordable food supply is to this Nation.

As a member of the Senate Agriculture Committee and someone who has intimate knowledge of the farm operations in my State, I was pleased to discover the commission's top two recommendations support my position that no change should be made in the farm safety net until the current law expires.

First, it specifically states that any substantial changes should take place with the reauthorization of the next farm bill.

Some of you may be asking yourselves, What is substantial?

In strictly monetary terms, I can tell you that conservative estimates say that further payment limitations would cost my State alone almost $80 million a year. The overall economic impact to our State of Arkansas is estimated at nearly $500 million annually, a price far too high to pay when our farmers are looking at unbelievably high gas prices, unbelievably high costs in terms of fertilizer and application that has to be made, not to mention the trade implications that exist out there for our producers.

The commission's second recommendation was, if changes are to be

made, there should be an adequate phase-in period.

Not only does this team of experts, appointed by our Government's leaders in agriculture, urge that no changes be made to our current farm safety net until the appropriate time, but they also urged that, should that day come, our farmers need to be given an adequate period of time to avoid unnecessary disruption in their production, marketing, and business organization.

This is not something that happens once a month. Planning a crop, not only for that year but the understanding of the implication of the crop you plant this year on future crops you may plant, taking care of your land in a way that will make sure that land is sustainable for future generations, is not a 1-month-at-a-time operation.

In short, the commission acknowledges the complexity of this issue and recommends to each of us that we wait to proceed at the appropriate time and then only proceed with caution.

This amendment takes the exact opposite approach and will send shock waves through farm country, particularly in the South. In fact, the mere discussion of such a dramatic change creates an abnormal level of anxiety in my home State.

One of the fatal flaws of the previous farm law was its lack of an adequate safety net in the face of foreign subsidies and tariffs that dwarf our support of U.S. producers.

Again, Senator CONRAD's chart says it better than anybody.

That level of subsidy that other nations provide their producers, their growers, is phenomenal compared to what we do for ourselves. The new farm law corrected that mistake.

The amendment now before us would limit that very support at a time when producers need the help the most, creating a new and gaping hole in the safety net.

Furthermore, during hearings on the new farm bill, virtually every commodity and general farm organization testified in opposition to further payment limitations.

Here we are today, once again, debating this issue of payment limitations.

Proponents of tighter limits continue to sensationalize this issue by citing misleading articles about large farm operations receiving very large payments as a reason to target support for smaller farmers. But, unfortunately, sensationalized stories only serve to cloud their misunderstood issue even further.

Senators truly need to understand that this amendment has very serious implications.

Let me attempt to provide some clarity on the issue of farms.

First, payment limitations have disproportionate effects on different regions in this country. Simply put, the size of farm operations is relative to regions, but even more simply, what a small farm is in Arkansas may be a huge farm in another State, which leads me to my next point.

This amendment continues to unfairly discriminate on a regional basis because it does not differentiate between crops that are extremely cost-intensive and those that are not cost-intensive in the South where we grow what we are suited to grow. That is what farmers do. You would be a fool not to. To try to grow a crop that you are not equipped to grow or intended to grow would be unbelievable.

What do we grow? We grow cotton and rice, which are highly capital-intensive crops. They require disproportionately more capital input per acre than any other crop.

What happened? You have to grow on an economy of scale, have a farm of an economy of scale so you can afford those capital inputs and still be competitive in a global marketplace.

This amendment would lump cotton and rice with the same category of crops that require half as much input cost. It absolutely does not take into consideration the great diversity of this Nation, which is our real strength. That is something we should recognize.

Finally, on the issue of size, farmers of commodities are not getting larger to receive more payments. They get larger in an attempt to create an economy of scale to remain competitive internationally.

At a time when we are telling our farmers to compete in a global market, we now debate an amendment that would discourage farmers from acquiring the economies of scale that they will need to compete in that global marketplace.

Certainly, my colleague from Iowa, who chairs the Finance Committee and has jurisdiction over international trade, can appreciate that. He has talked about it many times.

This amendment affects the cornerstone of support for our Nation's farmers because it prevents the marketing loan from working correctly.

These limitations would lead to loan forfeitures and huge Government inventories of commodities if steps are not taken to ensure that producers can market their commodities.

If you limit the amount of support farmers may receive, you are placing on them a substantial domestic disadvantage before sending them out to compete in an international market that is already unfair for our producers.

This is not the case in Europe, where agriculture is subsidized at a level six times higher than we have here in the United States and in the case of Japan, where agriculture is subsidized at a whopping 92 times more than we do in the United States.

Finally, I say to those who believe that farmers are getting rich at the expense of the taxpayers, there is a reason why our sons and daughters are not rushing back to the farm and their family heritage. It is because farming is a very tough business, with lots of challenges.

In the South, we face many of those, as farmers all across this Nation do.

I hope that my colleagues will take into consideration that this is not the time nor the place to deal with this issue. We made a contract with our grocers, our farmers, and our producers. And we want to make sure that as a government we make good on that contract, and if, in fact, the time comes when we review it, we do it at the appropriate time.

I yield my time to Senator CHAMBLISS.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Madam President, I yield 2 minutes to the Senator from North Dakota and 15 minutes to the other Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CHAMBLISS. Madam President, before the Senator from North Dakota moves forward, I want to make sure that we are going back and forth. Does the other Senator from Arkansas need time?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I thank my colleague from Iowa for this time.

Let me indicate that there are really three abuses which are occurring in the current system.

No. 1, there is no effective limit on the marketing loan benefit. Current law does not limit gains received through commodity marketing loan forfeitures or commodity certification transactions. The fact is there is no limit on marketing loan benefits. That was never the intention.

No. 2, payments are not attributed to the individual who receives the benefits. Producers may create multiple entities, such as corporations, to increase the total amount of payments received.

In the last farm bill debate in the conference committee—and I was one of the negotiators on the conference committee—I took to my colleagues an example from a State that will remain unnamed that involved 49 different entities that represented only 5 people. This was an incredible shell game to avoid and evade any kind of reasonable payment limits. This is the kind of abuse that will be shut down by the Grassley-Dorgan amendment.

No. 3, the definition of ''actively engaged'' has been weakened. A cottage industry of lawyers and accountants has developed to create shell organizations to allow nonfarmers to qualify for farm program payments because they have a minimal interest in a farming operation. In some cases, participation in a farm management conference call once a year now qualifies them as ''engaged.''

The PRESIDING OFFICER. The Senator has used 2 minutes.

Mr. CONRAD. These are the three critical points I hope my colleagues will focus on.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, some things in the Senate are heavy

lifting and tough to deal with. This is the easiest decision ever to be offered to this Senate. The question is, for what purpose do we offer a farm program in this country? The answer is, because family farmers cannot make it over the valleys of despair. With precipitous drops in international prices, devastating weather disasters, we will not have family farmers left unless we have a basic bridge across the valleys.

That is the purpose of the farm program. Instead of a bridge across valleys to help family farmers populate the prairies of this country, the farm program has become a set of golden arches for the biggest and the wealthiest farms in the country.

Senator GRASSLEY and I proposed something that is kind of novel here. We proposed that the farm program be redirected to help family farms. What we say is this: At a time when we are going to cut price supports and cut the safety net for family farmers, we say maybe the better approach would be to restore those cuts and get the money by shutting down the millions of dollars in checks going to the corporate agrifactories in our country. Is that a novel solution? No. It is what the farm program was supposed to have been.

Let me describe what we have in this country. This is from a story in the Washington Post a couple years ago.

> A prominent and well-respected businessman who lives in a million-dollar home, sits on a local bank board and serves as a president of a tractor dealership with sales last year of $30.8 million . . .

He is also, by some definitions a farmer—the principal landlord of a 61,000-acre spread, $38 million from the Federal Treasury in 5 years.

> Like other large operations this farm was structured to get the most from government programs.

In other words, this was farming the farm program. A novel idea, farming the farm program. Perhaps we ought to stop people from farming the farm program.

Some of my colleagues say you have to be big in some parts of the country. That does not mean the taxpayer has to be shipping checks totaling $68 million or $38 million to those operations. Want to farm the whole country? God bless you. You have every right in this country to do so and we sure hope you are successful. But I don't see that the taxpayer ought to be the one who bankrolls the financing operation if you want to farm the entire county. That is all this is about.

My colleague Senator GRASSLEY and I offer this not to penalize any part of the country. It is to refocus the farm program to where it ought to be, to help family farmers through tough times.

I mentioned that millions of dollars go to corporate megafarms. I also pointed out this is not what I came to the Congress to fight for. I want good support prices to go to family farms to help them through tough times so that in the long run we still have yard lights around this country with families living on the farm producing America's food. That is the purpose of a safety net.

Now, I described some of the megafarms, the corporate agrifactories getting millions of dollars. The Grassley-Dorgan amendment says, let's put some limits on it. We asked the USDA, who gets the farm program payments? Do we have some evidence about how much goes to the big interests? It is interesting, the USDA does not know to whom it is making the farm program payments. It does not know. In our piece of legislation, we require it to know. When they are shoveling millions out the door at USDA, they should figure out where they are sending them.

I was thinking about the payments that are made to farmers in the country. We care about family operations. That is the whole purpose of this. By the way, if the purpose is not to support family farming, we ought not have a farm program. We ought to get rid of it if it is not the purpose. I believe it is the purpose and should be the purpose.

Remember that movie, ''Weekend at Bernies,'' while they haul around a dead guy for the whole weekend? They put him in the car, by a swimming pool with sunglasses on, and hauled around a dead guy. The movies don't have anything on the USDA. The USDA sees dead people on farm subsidy rolls. In fact, you have to be ''actively engaged,'' the law says, in farming. And yet they are making payments to dead people. How can you be ''actively engaged'' as a farmer if you are dead? But the USDA does not know who it is sending money to so we could not expect them to answer this question: Why are 55 dead farmers receiving more than $400,000 each in farm program payments?

I understand my colleagues exerting a lot of muscle trying to help live farmers. Maybe at least we could agree on dead farmers not receiving nearly half a million each.

Let's back up for a moment. Let's try to ask ourselves, why do we have a farm program? Of what value is it to our country? My great-grandmother actually ran a farm. She lost her husband, an immigrant from Norway, took a train to Eagle Butte Township, and with six kids, pitched a tent, worked a farm, had a son who had a daughter who had me, which is how I came to southwestern North Dakota. It was a family farm. Think of the courage to run this family operation.

Over time, this country said we will not have them left on the prairie if we do not provide some basic support over tough times, a bridge over price valleys. So we did. It is called price supports, to try and help family farmers.

Boy, has that grown. This little price support program trying to help family farmers through tough times has grown to become a huge boon to some of the biggest operators in the country, having nothing to do with families, having to do with corporate agrifactories. Is that what we want the program to be?

The choice Senator GRASSLEY and I offer is a simple choice. The committee brings to the Senate a proposition that says let's cut farm program payments for every farmer. Let's cut farm program price payments for every farmer. We say there is a better way. How about rather than pull the rug out from other family farmers, we decide to do what we should have done long ago, and that is, shut off the spigot on the money that is going to the big corporate agrifactories that have nothing at all to do with families. I am not suggesting they are unworthy, the corporate agrifactories. I am not suggesting that at all. I am saying if they want to farm the whole county, half a State, or they want to get bigger and bigger and bigger and decide to separate into 49 or 69 or 89 entities in order to farm the farm program, God bless them. I just don't think there is a requirement that the American taxpayer or the Federal Government has to bankroll them. I don't think that is our requirement.

The urge and the urgency for Congress should be to want this country to maintain a network of family farms for the people who risk everything. We are not trying to define exactly what a family farmer is. Some are quite large. But I know what it isn't. Michelangelo was asked, how did he sculpt David? He said, I took a piece of marble and chipped away everything that wasn't David. We can have a family farm and chip away that which it is not.

That which it is not, which we are defining today in some respects, represents the enterprises that do not need the Federal Government's help to grow. They have already grown to the point where they are farming a substantial part of our counties around the country.

This is a choice. We can decide to cut farm program payments for everybody and pull the rug out from under a lot of families out there barely making it, given energy costs and the price of grain, or we can provide the kind of program payments over tough times that we told family farmers we would provide and get the money to do that by limiting the payments that go to people who are getting $38 million in the case of the first enterprise I talked about. That is sensible.

The question is very simple: What do you think the purpose of the farm program is? Whose side are you on? Who are you trying to help?

I suppose my discussion about dead farmers was tongue-in-cheek, but it raises an important question. If we had 55 farmers who are dead who receive $400,000-plus, each of them, nearly half a million each, it raises a pretty important question about the golden arches that exist here for some of the biggest enterprises out there in rural America.

This is not difficult. I understand, and I don't denigrate my colleagues

who are forced to support the biggest corporate farms and to support the way things are. I understand that. Everyone has a constituent interest here. But our interest, the interest of Senator GRASSLEY and myself, is not to try to injure anybody or injure any part of the country. Our interest is to say this country should aspire to say to family farmers, You matter in America; we want you to be able to make it through tough times. That is why we have a farm program.

When the choice is, do we pull the rug out from under you with the cuts coming from the proposal today, or is there a better way by which we can limit payments to the largest corporate farms and use that money to restore the kind of help we have always said we wanted to provide family farmers, isn't that a smart thing to do? Isn't that the right thing to do? Isn't that what public policy was designed to do, to help America's family farmers?

Take a poll, any time, any place in America, and ask the question about whether they value family farmers. They do. Farmers and ranchers who live on the land risk everything. Every spring all they have is hope, the hope that maybe they will get a crop. Maybe it won't hail. Maybe it won't rain too much. Maybe it won't rain too little. Maybe somehow they get a crop, after they put all the money in, in the spring. And when they harvest it, the hope they get a price and maybe they will make a living. That is all they have, is hope.

That is why this Congress has in the past said, let's try to make sure they have some capability with a safety net to make it across these price valleys and these tough times. That is what Senator GRASSLEY and I are trying to preserve. Every year people try to chip away more and more and more. We are trying to preserve that hope, trying to preserve a way of life, something we think is important to the future of this country.

We can have corporations farm from California to New York, I suppose, big agrifactories. But what are the consequences of that? We lose something very important in this country when we lose America's family farm producers and family ranchers.

How much time did I consume?

The PRESIDING OFFICER (Mr. THUNE). The Senator has consumed 11 minutes.

Mr. DORGAN. I reserve the final 4 minutes of my presentation.

The PRESIDING OFFICER. Who yields time?

Mr. CHAMBLISS. I yield to the Senator from Arkansas 4 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Thank you, Mr. President. I ask that you tell me when my 4 minutes is up, if that is at all possible.

Mr. President, I rise today in opposition to the Grassley amendment. It is hard for me to do that in the sense that I agree with Chairman GRASSLEY on so many things, but I disagree with him on this amendment.

The 2000 farm bill is a contract, something the Congress entered into, and I think it is a terrible mistake to change the terms of that contract in midstream.

In fact, the USDA had a bipartisan payment limit commission. They looked at it. They concluded the same thing: Don't change the rules in the middle of the game. I do not think any business, much less our family farmers, can have any kind of business plan when the rules change and the rules become very unpredictable.

I thank my colleague Senator CHAMBLISS of Georgia, the chairman of the Agriculture Committee. He has done an outstanding job of trying to be fair when we look at this issue to make sure not one crop or one section of the country is being singled out to carry a disproportionate amount of the pain.

Recently, the WTO made a decision in a cotton case involving Brazil, so our cotton farmers have lost an important program known as Cotton Step II. We are going to add to the burden of our cotton farmers, and add to the burden of our peanut producers and our rice farmers. The biggest concern I have other than that, in addition to the concept of this, is the idea of timing. It could not be worse. When you look at the Southern States—Louisiana, Arkansas, Mississippi, Alabama, Texas, Florida—we are reeling from hurricanes right now, all over that section of the country. In fact, the University of Arkansas Extension Service has estimated there is $900 million worth of hurricane-related crop damage in our State alone—$900 million worth.

Then we look at our farmers. They are paying record energy prices. They have these meritless WTO challenges. They have had storm damage. They have had the worst drought in my State that we have had in 50 years. I think it is a terrible time for us to be adding to their burden.

Of course, there are also many myths that have been perpetrated by people who do not like some of these farm programs. One of these groups—I don't know exactly anything about this group—but the Environmental Working Group says there is a farmer in my State, some guy named Riceland, who is taking boatloads of Federal dollars and subsidies.

Who is Riceland? Riceland is not one farmer. There is not one guy down there named Riceland. Riceland is a farm-owned cooperative. There are 9,000 family farmers who are members of this one cooperative. So, sure, if you bundle all 9,000 up and look, that is a lot of money. But when you look at all these 9,000 separate, independently owned farming operations, you get to see a more accurate picture.

So let's stick with the facts. The facts are this country has the most stable, the most abundant, the safest, the most affordable food and fiber of any country in the world. One thing I would hate to see is us be dependent on foreigners for our food supply. Right now, unfortunately, we are dependent on energy. I think that is a matter of national security. If we ever become dependent on foreign countries for our food, that would be a matter of national security.

Our trade deficit is at an all-time high. We are witnessing—this set of Senators—our manufacturing base in this country evaporating before our very eyes. Do we want to do this to our farm economy? I say no. I say we need to understand we get a big return on the investment we make in our agriculture programs. In fact, all the programs combined—everything total—is less than one-half of 1 percent of the Federal budget.

One of the great strengths America has is we are able to feed ourselves and, if we are given the opportunity, to feed the world.

I urge my colleagues to oppose this amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Georgia.

Mr. CHAMBLISS. Mr. President, I yield 3 minutes to my colleague from Georgia, Senator ISAKSON.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. Mr. President, I thank the distinguished senior Senator from Georgia, my dear friend. I appreciate his guidance and I associate myself with his remarks. The distinguished Senator from North Dakota made an admittedly tongue-in-cheek analogy about 55 dead farmers. To change this program in midstream could put a lot of family farmers in the South on life support, and that is not tongue-in-cheek. It would not only cripple the agriculture economy of communities across the Nation, but it would have a most devastating effect on farmers in my State and in the Southeast.

Make no mistake, adoption of this amendment would result in many traditional family farms going out of business—plain and simple.

We had this debate in 2002, when we passed a carefully crafted farm bill. We debated farm payment limits extensively at that time, and it is absolutely wrong to seek to change those rules in midstream. That debate takes place in 2007, when the bill is up for reauthorization.

Our farmers have made business decisions based on that farm bill. They have had significant investments based on that farm bill. We cannot pull the rug out from under them in midstream.

This amendment punishes the farmer whose livelihood depends solely on the farm. In my part of the country, a farmer must have a substantial operation to make ends meet. Why would we seek to punish family farmers at a time when they have made large investments in order to become competitive in an international marketplace? Now is not that time.

Mr. President, on behalf of farmers in my State of Georgia and across the

Southeast, I urge my colleagues to oppose the Grassley amendment.

I yield back.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I yield 2 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, how much time is remaining for the entire debate?

The PRESIDING OFFICER. Seven minutes 35 seconds on your side, and 2 minutes 18 seconds on the other side.

Mr. DORGAN. Mr. President, I want to correct, I think, an impression that was made. I do not think it was intentional, but the impression was that the Grassley-Dorgan amendment would prohibit the largest corporate farms from getting payments. We do not do that. They are limited in the payments they would receive. We do put a limit on it. We do not prohibit them. They will still get payments right up to the top limit. But that is all.

To further make my point, in one case, a Mississippi cotton farmer set up a web of 78 corporations and partnerships that collected $11 million in subsidies. The name of one of his companies was Get Rich Farms.

The farm program is not about getting rich for anybody. The farm program is to try to provide some protection and some help for family farmers, who are left to the vagaries of a marketplace that whipsaws up and down with weather, natural disasters. This is not about getting rich. It is about getting through tough times. That is what Senator GRASSLEY and I wish to do.

Now, Mr. President, my colleague from Iowa has arrived. I know he wishes some time. We have very little time left, but I will truncate my remarks so the remaining time will be available to Senator HARKIN, who is also a cosponsor of this legislation.

Mr. President, how much time remains on our side?

The PRESIDING OFFICER. Six minutes.

Mr. DORGAN. Mr. President, let me provide the 6 minutes that is available to Senator HARKIN.

I say to Senator HARKIN, there are 6 minutes available on this debate. I will yield my time at this point in order to make that available.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I want to be clear about how much time I have.

The PRESIDING OFFICER. The Senator from Iowa has 5 minutes 39 seconds.

Mr. HARKIN. Mr. President, I welcome this opportunity to cosponsor this amendment offered by Senator GRASSLEY and Senator DORGAN.

Again, let's be clear why we are here debating this amendment. It is because the President's budget proposal called for taking away substantial funding that had previously been dedicated to agriculture and nutrition assistance. Accordingly, the congressional budget resolution requires cutting $3 billion out of programs in the jurisdiction of the Committee on Agriculture, Nutrition and Forestry over the next 5 years. These cuts could come from farm income assistance, conservation, Federal nutrition assistance, or several other mandatory programs.

Fortunately—and I commend the chairman of our committee, Senator CHAMBLISS, for this—his mark did not cut Federal nutrition assistance, and neither does the committee-reported measure, although such cuts are probably almost certain after we go to conference with the House.

Along with many of my colleagues, I opposed the cuts to agriculture from the time President Bush proposed them because I do not think they are justified. Three years ago we crafted a new, bipartisan farm bill, which the President praised and signed into law. We were given a budget allocation to deal with it. We stayed within it. The farm bill has in general been working as intended. In fact, in for fiscal 2002 through 2005, since the bill was signed, our Federal commodity programs are estimated to have saved the taxpayers of this country $14 billion compared to the cost estimates right after the bill was enacted. We have spent $14 billion less in those 4 years than we were entitled to spend in the farm bill.

So now we have the budget reconciliation bill before us. I don't believe there is any justification for cutting any funds out of agriculture, but the fact is, the budget resolution requires it. Congress is going to cut funds. The question is, how are we going to do it? How are we going to do it? Well, I am supporting the Grassley-Dorgan amendment because it contains a much more equitable and sound way to achieve the $3 billion in cuts over the next 5 years.

Basically, the amendment says there will be a more reasonable set of limits on the amount of Federal farm program payments that any one individual is able to draw from the Federal Treasury. By obtaining the savings in this way, the burden of budget cuts on the vast majority of America's farmers and ranchers will be lessened.

Now, my colleagues—Senator GRASSLEY, Senator DORGAN, and others—have described very well how farm commodity program payments are heavily concentrated on a relatively small percentage of Americans who control our Nation's largest farm operations. They have described how these operations can be reorganized, manipulated, using various partnerships, corporations, and entities, to skirt the payment limitations that are supposedly in the law now.

Again, let me remind my colleagues, the Grassley-Dorgan amendment we have before us is basically what the Senate adopted in the debate on the 2002 farm bill, by a vote of 66 to 31. This amendment was adopted in the farm bill. Of course, it was rejected in conference, because of strong opposition from the House don't you know, but we adopted it here. The Grassley-Dorgan amendment tracks the proposal in the President's budget.

Again, this amendment Senator GRASSLEY and Senator DORGAN have offered is not onerous. It provides for a basic overall payment limit on all benefits of $125,000 an individual. If you have a spouse, that could be $250,000 for the couple. That is a pretty generous amount of money from the Federal Government to support a farming operation in anybody's book. So this is a modest proposal.

The other thing this amendment does is it cuts through all the confusion and murkiness about the ''three-entity rule.'' This amendment would track payments through to the actual individuals who receive the benefits, and then apply the payment limitations directly and straightforwardly. Now we will know exactly who is getting what. This amendment will establish a stronger requirement of active personal management of a farm or ranch before an individual is eligible to receive farm program payments.

The reasonable payment limitations in the Grassley-Dorgan amendment are a better, fairer way to obtain the budget savings. Those savings are then applied in this amendment to mitigate the most damaging aspects of the measure reported by the committee and which is in the bill before us.

The Grassley-Dorgan amendment delays for 1 year the 2.5 percent across-the-board reduction in commodity program payments and benefits which applies to all recipients.

One other thing this amendment does is it lets us go back and lessen the cuts to the farm bill's conservation title. What it does is it restores conservation funds that the bill before us would take out of the Conservation Reserve Program. It gets us back up to 38.45 million acres, close to the farm bill's 39.2 million acres. So this amendment supports conservation.

It also puts money back into the Conservation Security Program, which was cut by some 30 percent in the measure reported by the committee. That is on top of cuts already imposed on the Conservation Security Program in previous legislation.

So again, the Grassley-Dorgan amendment is fairer—more fair—than the bill before us. It is straightforward, and it responds to the real needs we have in rural America today. I commend Senator GRASSLEY and Senator DORGAN for their amendment.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Georgia.

Mr. CHAMBLISS. Mr. President, let me wind up with a couple of responses to some of the comments that have been made.

First, Senator DORGAN got up and said we had one farm that had gotten

$37 million over 5 years. That is preposterous. It is wrong. It is simply incorrect. The Senator from Arkansas made it very plain there is one cooperative that has 9,000 members, called Riceland. The entity which Senator DORGAN was talking about was not an individual farmer. There is no provision in the current law that would allow such payments to be made. That is simply wrong.

Secondly, there was a statement made that 55 dead farmers received payments. Let me tell you what happened so the American people understand. A farmer goes into the Farm Service Agency at the beginning of the year, and he fills out a form.

That form says how much he is going to plant of each specific crop. They then know what payments they qualify for. Those checks are sent out during different times of the year and even into the next year after the farm season is over. It is unfortunate that 55 farmers died during that year before they got their checks. I am sorry about that. But those farmers were family farmers. Their families deserve that income because that family member was actively engaged in farming at the time he went into the office and made the application. I kind of resent that. We talk about the fact that we want to continue the family farm. The way we can continue the family farm is to take those folks who do unfortunately pass away and eliminate the estate tax. But, unfortunately, our friends on the other side don't agree with us about that.

Let me just say the commission to which Senator GRASSLEY referred, and others have referred, was a commission created in the 2002 farm bill made up of farmers from Kansas, Texas, Mississippi, Illinois, North Dakota, Iowa, Georgia, Arizona, as well as USDA. That commission made strong recommendations that we should not change this payment limitation provision during the course of this farm bill. That is a discussion that should be held in the next farm bill debated in 2007. I submit that is when it ought to be.

I urge my colleagues to vote against the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, is it now in order to move on to the amendment of the Senator from New Mexico?

The PRESIDING OFFICER. The Senator is correct.

The Senator from New Mexico is recognized to offer his amendment, with time equally divided in the next 30 minutes.

Mr. BINGAMAN. Mr. President, I appreciate the opportunity to speak. Before I do, I yield 2 minutes to my colleague from North Dakota.

Mr. DORGAN. Mr. President, I thank my colleague for yielding. The chairman of the Agriculture Committee used the word ''resent''—I don't remember the exact context—and suggested that somehow what has been presented on the floor of the Senate about the size of the corporate agrifactories sucking money out of this farm program is inaccurate. I stand by my statement and say there is plenty of evidence. I will put even more in the RECORD about the size of these enterprises that are sucking massive amounts of money out of the farm program at a time when family farmers are seeing their farm program payments cut. That is the purpose of our amendment.

I don't wish to extend this any great length. I only respond because the Senator used my name. I will be happy to put in the RECORD the specific and exact representations about the size of family farmers, the largest corporate agrifactories taking massive amounts of money out of the program trough. I want family farmers to be available to have access to that farm program payment that they need in order to survive. That is the purpose of the amendment.

I thank the Senator from New Mexico for allowing me to respond.

AMENDMENT NO. 2365

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. ROCKEFELLER, Mrs. LINCOLN, Mr. PRYOR, and Mr. LEAHY, proposes an amendment numbered 2365.

Mr. BINGAMAN. 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 prevent a severe reduction in the Federal medical assistance percentage determined for a State for fiscal year 2006 and to extend rebates for prescription drugs to enrollees in Medicaid managed care organizations)

On page 188, after line 24, add the following:

SEC. 6037. LIMITATION ON SEVERE REDUCTION IN THE MEDICAID FMAP FOR FISCAL YEAR 2006.

(a) LIMITATION ON REDUCTION.—In no case shall the FMAP for a State for fiscal year 2006 be less than the greater of the following:

(1) 2005 FMAP DECREASED BY THE APPLICABLE PERCENTAGE POINTS.—The FMAP determined for the State for fiscal year 2005, decreased by—

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(2) COMPUTATION WITHOUT RETROACTIVE APPLICATION OF REBENCHMARKED PER CAPITA INCOME.—The FMAP that would have been determined for the State for fiscal year 2006 if the per capita incomes for 2001 and 2002 that was used to determine the FMAP for the State for fiscal year 2005 were used.

(b) SCOPE OF APPLICATION.—The FMAP applicable to a State for fiscal year 2006 after the application of subsection (a) shall apply only for purposes of titles XIX and XXI of the Social Security Act (including for purposes of making disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4) and payments under such titles that are based on the enhanced FMAP described in section 2105(b) of such Act (42 U.S.C. 1397ee(b))) and shall not apply with respect to payments under title IV of such Act (42 U.S.C. 601 et seq.).

(c) DEFINITIONS.—In this section:

(1) FMAP.—The term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(2) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(d) REPEAL.—Effective as of October 1, 2006, this section is repealed and shall not apply to any fiscal year after fiscal year 2006.

SEC. 6038. EXTENSION OF PRESCRIPTION DRUG REBATES TO ENROLLEES IN MEDICAID MANAGED CARE ORGANIZATIONS.

(a) IN GENERAL.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)(1)) is amended by striking ''dispensed'' and all that follows through the period and inserting ''are not subject to the requirements of this section if such drugs are—

''(A) dispensed by health maintenance organizations that contract under section 1903(m); and

''(B) subject to discounts under section 340B of the Public Health Service Act (42 U.S.C. 256b).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall 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. BINGAMAN. Mr. President, the amendment I am offering today is very similar and essentially the same as the bipartisan language in S. 1007, entitled the Medicaid Formula Fairness Act of 2005. That bill, as we introduced it, had Senators SNOWE, ROCKEFELLER, HUTCHISON, REED, JEFFORDS, LINCOLN, LEAHY, CHAFEE, PRYOR, and JOHNSON as cosponsors. This amendment provides 30 States with protection from serious decreases in the amount of Federal funding that they would otherwise receive in fiscal year 2006 in the Medicaid Program.

Let me put up this chart to give Members an idea of who I am talking about. This chart shows the States that are going to see cuts in their Medicaid Program in the current fiscal year. That is the fiscal year that started the 1st of October.

Let me point to Alaska. The bill before us today provides that Alaska has a full hold-harmless from the estimated $135 million they were scheduled to lose over the next 2 years under Medicaid because of the demographic changes that Medicaid has calculated in a somewhat archaic way. That is in the current bill. The amendment I am offering does not change that. The amendment I am offering leaves that alone. It does not deal with the State of Alaska. My amendment tries to deal with the other 30 States, the red ones shown on this map, the other 30 States that are adversely affected by these

cuts in Medicaid in the current fiscal year.

In the case of Alaska, the underlying bill says we are going to hold Alaska totally harmless from any cuts over a 2-year period. My amendment says we are going to reduce the size of the cuts for these other 30 States so that they will not take as much of a cut as they otherwise would. We say they can have up to a half of a percent of cut but not more than that. It is a 1-year amendment. It is not a 2-year amendment, as the underlying bill provides for the State of Alaska.

Currently, due to a technical change made in the calculation of per capita income data, which is a major component of the calculation of the Medicaid Federal Medical Assistance Percentage, or FMAP, there are 30 States that are scheduled to lose over $800 million in Federal Medicaid matching funds. This is for the year we are already in. My amendment would limit the negative impact that the loss of Federal Medicaid funds would have on the 30 States, the vulnerable populations that they serve, and the safety net providers who serve Medicaid patients. It does so by holding those States to no more than a .5 percentage point drop in their matching rate.

Let me emphasize: The amendment does not even hold States fully harmless. We are not asking to do that. We are not urging that the States should not take some cut. The amendment also allows States to receive the better of either the current FMAP or an FMAP formula that does not re-benchmark per capita income data for fiscal years 2001 and 2002. States should not be taking a loss in hundreds of millions of dollars in their Medicaid matching funds due to a technical revision to their per capita income calculations made by the Department of Commerce in 2004 but being retroactively applied to data in 2001 and 2002. And that is exactly what is happening under current law. The approach makes little sense. Both the States and the low-income beneficiaries across this Nation should not have to bear the negative consequences of this kind of a technical change.

For those who are still not persuaded, let me give additional reasons we should not allow the 30 States that are in red on this map of the United States to lose over $800 million in Federal matching funds.

The first reason is, as the chart indicates, of the 30 States that benefit from the amendment, 27 have received emergency declarations due to Hurricane Katrina. That includes the States of Mississippi, Louisiana, and Alabama, and 24 other States that received similar emergency declarations due to the influx of evacuees.

Second, States are also absorbing costs with respect to the implementation of the Medicare prescription drug benefit right now. They will continue to absorb those costs throughout fiscal year 2006. Although States are expected to receive a benefit in the long run, in the short run they are being hit with hundreds of millions of dollars in costs. In fact, the Congressional Budget Office estimated that States will absorb an additional $900 million in added costs in fiscal year 2006 due to the prescription drug bill's implementation. The FMAP drop to our States that I am talking about in my amendment compounds the problem for our States.

One of the arguments against the amendment is, we don't have enough money. We can't afford this. Anyone who has really looked at this bill knows that is not the case. One item that I will mention as an example is this extension of the milk program, the dairy subsidy program that is going to cost another billion dollars, according to the provisions of this bill. The justification for this is minimal. It is something for which most of the benefit will go to four States. It is not a good expenditure of taxpayer dollars. It is just one example. I am sure there are many others I could cite.

We have this amendment fully offset. We have found an offset that we believe the Parliamentarian agrees will more than cover the cost of the amendment. The benefits to my State are substantial. The amendment does not restore all of the $79 million that we are expected to lose in Medicaid funds because of this change in the Federal matching percentage next year, but it does reduce the size of that reduction so that instead of a $79 million cut in Medicaid funding to New Mexico, we would see a reduction of $13 million. This is more manageable. This would allow our State to reverse the policies it has put in place that have resulted in more uninsured children. I am sure a similar circumstance exists for most of the other States, or all of the other States I am mentioning.

The amendment would provide substantial benefits to each of the States that are in red on this chart. Since I know Members are listening, some of them in their offices and some of their staffs, let me elaborate on the extent of the relief that the amendment would provide to the 30 States I mentioned: In the case of Alabama, there is $34 million in relief; in the case of Arizona, $22 million; Arkansas, $14 million; Delaware, $2 million; Florida, $25 million; Georgia, $8 million; Idaho, $5 million; Kansas, $2 million; Kentucky, $2 million; Louisiana, $43 million; Maine, $35 million; Michigan, $2 million; Mississippi, $22 million; Montana, $6 million; Nevada, $17 million.

As I mentioned, the cut would be reduced for New Mexico in the amount of $66 million. Fourteen million would be preserved in North Carolina; $6 million in North Dakota; $52 million for Oklahoma; $6 million for Oregon; $8 million for Rhode Island; $6 million for South Carolina; $3 million for South Dakota; $27 million for Tennessee; $113 million for Texas; $14 million for Utah; $10 million for Vermont; $27 million for West Virginia; $9 million for Wisconsin; and $13 million for Wyoming.

This is a good amendment. It does not say the States should not cut back on their Medicaid or should not suffer some cut in Federal Medicaid funding, but it says that cut should not be as significant as would otherwise be the case.

We can afford this. This is an amendment that is offset. I believe it is a very meritorious amendment and one that should be adopted as part of the underlying bill, and I hope my colleagues will support it.

At this point I yield the floor. I see my colleague is anxious to speak, so I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

First of all, the Senator from New Mexico works very closely and very hard as a member of the committee I chair. I appreciate his hard work and he should not take personal anything I am saying about his amendment.

Let me remind people what the Federal medical assistance percentage is all about. We call that FMAP for short. It sets the amount of money that the Federal Government contributes toward the costs of a State's Medicaid Program.

When States are doing well economically, their Federal share goes down. Then when States need more help, when their economy is not doing so well, their Federal share goes up. That is the way the formula was designed. That is the way it has worked. It seems it has worked well for a long period of time. It helps States that need more resources because they have more low-income individuals who will qualify for Medicaid.

Of course, that is another part of the formula. And that makes a lot of sense because it targets scarce Federal resources to States with the largest number of people enrolled in Medicaid. That is the way the program has been on the books since 1965 when it was first enacted.

The Federal contribution, the FMAP, is recalculated each year. As it turns out, at the beginning of the current fiscal year many States saw their Federal share go down, but other States saw their Federal share go up.

So what is the argument that 2006 should be different than any other year? The argument apparently is that this is different because the Census Bureau updated data and that made the FMAP in a few States go down. But the data from the Census Bureau is designed to make the Federal share amounts more accurate. We should seek accuracy in any formulas we have and the statistics that back up those formulas. That is just good common sense, the way Government ought to operate. And, of course, the Census Bureau goes through this very same exercise not just recently—I mean recently but not just for the first time—every 5

years, so this is not something new, and this is done to make sure the rate for Federal contributions to Medicaid, or the FMAP, is set accurately.

Of course, that is what we want. The Federal share should be set according to an accurate formula, and the amount of money that goes to each State ought to be a very accurate amount of money. This is the goal and that is what has happened with the improved data of the Census Bureau.

The States that are affected do not want, of course, to see their Federal share go down, and it is very obvious that Senators, accordingly, would fight for the interests of their States. But Congress—if you look at the responsibility of all of us for the entire country—cannot come in every year and override the FMAP formula, because that defeats the whole purpose of having a formula in the first place.

The Federal share went down in these States this year because, oddly enough, it was supposed to go down. In some years, the Federal share goes up in a majority of the States instead of going down. And surprise—that is the way it is supposed to work. When the Federal share goes up, I can't recall anyone lobbying me as chairman of the committee to override the formula to lower their Federal share instead of increasing it.

If your general argument is that the formula is broken, it is going down for 29 States, doesn't that mean it is not broken for the other 21 States? Is it your argument that the formula only works when the States get more money?

It is true that the fluctuation in the Federal share calculation can create problems in States. I don't doubt that. If the States want to limit the amount of decreases—and the increases in Federal funding—then that is something that I would be willing to discuss further. I would be willing to work with anybody in this body in the future to bring greater predictability to the process.

This summer, as an example, I worked on a proposal to do that with my counterpart on the Democratic side of my committee, Senator BAUCUS of Montana. This proposal would put limits on how far the FMAP could go up or go down in any given year—in other words, to smooth out the peaks and valleys. It gives States predictability on their Federal share, and it would certainly bring stability to the process. I would be willing to introduce the Federal share corridor proposal that Senator BAUCUS worked on over the summer and have anybody in this body join us as cosponsors.

Finally, increasing the Federal share for 29 States this year necessarily means that we create an even bigger problem in the year 2007. This is then trying to solve one problem and creating another problem. We will be back here next year to solve that problem—create a bigger problem in 2008 and be back here to solve that problem in 2008. Most of the States are projected to see slight increases in 2007. By holding all States harmless this year, their decreases the following year will be greater. Are these States going to come back again next year and ask for another temporary fix to get more money for their Medicaid Program? I guess I don't have to tell you the answer to that question. You know what the answer is. They are not going to be here to voluntarily give up something.

I also question the offset included in this amendment to pay for the new spending. This amendment would further increase the rebate paid by drug manufacturers. It would do this by forcing manufacturers to pay States rebates for drugs dispensed through the Medicaid managed care plan.

The bill we are considering today already increases the rebate paid by drug manufacturers from 15.1 to 17 percent. The bill also makes the drug manufacturers pay millions more in rebates by closing a pair of loopholes in the rebate program. All together this bill already increases the rebates drug manufacturers are forced to pay by $1.7 billion. So this was not a source of revenue that my committee overlooked.

I understand my colleague might not think that is enough, but I would encourage him to look at the 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 and not 15 percent.

I am also concerned about the substantive implications of the amendment. These Medicaid health plans are private businesses that can negotiate low drug prices. Yes, that is the way it was set up, so plans would negotiate lower drug prices. They already negotiate the best price of the marketplace. The States already get the benefit of those lower drug prices that these plans negotiate. Making the manufacturers then pay rebates for drugs on top of what is already negotiated is the same as making them pay a double rebate for those drugs. Of course, that makes no sense.

Yes, I do realize that the Medicaid Commission accepted this amendment in its recommendations, but I am quite certain the Medicaid Commission's stamp of approval would not win support from Members of this body for other proposals that we are considering today.

We have looked at this area. We have come up with responsible policies that address loopholes, and I don't think we need to further increase the rebate beyond what is already included in this bill. Therefore, with due respect for my colleague from New Mexico, I urge my colleagues to oppose the amendment and the offset that funds it.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. What is the situation relative to time?

The PRESIDING OFFICER. The time is 5 minutes on the side of the Senator from Iowa and 2 minutes for the Senator from New Mexico.

Mr. GREGG. Mr. President, I will yield myself time off that of the Senator from Iowa, and I would simply say that I think the Senator from Iowa has summarized the reasons this proposal should be opposed. I want to reinforce that.

We have a formula in place. The whole theory of the formula, especially the one adjusted annually on the basis of census figures, is that there are going to be different States that win and different States that are adjusted downward, and this formula specifically is adjusted based on income. If some States have an increase in the income of their Medicaid population, then clearly they are going to receive less in the area of Medicaid. If other States have people in the Medicaid population whose income goes down, they are going to receive more. But if every year we step forward and those States which happen to have lost money under this formula are going to be held harmless, there would be no point in having a formula and we would end up in basic chaos as we moved into the outyears because of the fact you would have built in so many grandfathered baselines.

So the Senator from Iowa is absolutely right. The responsible thing to do here is support the law as it is presently structured. More importantly, the Senator from Iowa is correct in saying that the offsets which are proposed here really are a little illusory. First off, they have been proposed to be used in three other amendments already. I don't know how many more amendments we are going to get, but these offsets are becoming the custom fees of this round. It is really incredible to claim this offset.

In addition, of course, this offset by its very nature is punitive in that it basically double-taxes those people who are supplying pharmaceuticals to low-income individuals and we know that somebody is going to have to pay that. And that is probably going to be the States again. They are going to have to renegotiate their pharmaceutical contracts, and so you are going to take from one hand and give to one set of States and basically gerrymandering a formula that had already been put in place and put in place through reasonable allocations, while at the same time you are going to create an offset, should it pass, that would essentially cost other States money or maybe the States getting the new money. It may be a wash for some States in the end.

So as a practical matter, although the amendment, obviously, is well-intentioned—and clearly the Senator from New Mexico doesn't want his State to be impacted by the adjustment in the formula—it ignores the reality on the ground, which is that this formula is exactly that, to be adjusted for change in the population and the economic status of that population.

So I do hope we would oppose it when we get around to voting on it tomorrow sometime. At this point I would reserve the remainder of our time, if the distinguished Senator from New Mexico wishes to wrap up.

Mr. BINGAMAN. Mr. President, I have 2 minutes; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BINGAMAN. Mr. President, let me just say about all of the talk about how this formula is sort of inviolate and we don't want Congress to in any way change it, the underlying bill says it doesn't apply to Alaska. We are just writing into this bill there is going to be no cut in Alaska regardless of what the formula says. So all I am saying is let's at least do something to lessen the extent of the burden we are putting on these other 30 States that I am talking about.

I don't think that is too much of a change. The underlying bill also changes the formula with regard to Katrina victims, which is appropriate, 100 percent Federal matching funds for Katrina victims under Medicaid. I think that is entirely appropriate. We have changed this formula five or six times in the last few years. It would be appropriate to do this again. I think it is the right thing to do. It will not only help our States, but it will help the people our States are trying to serve through the Medicaid Program. We have a great many in New Mexico. We have over 400,000 people in our State who depend upon Medicaid. It is absolutely essential that the State have the resources, including Federal resources, to provide the services, to continue to provide the services for the children and the adults who are eligible under that Medicaid Program.

So I believe this is good legislation. This is a good amendment.

I hear that the offset would be an extra burden on the States. CBO says this is a savings for the States, that this offset saves money for the States. So, in fact, I think it is a good amendment. I urge my colleagues to support the amendment.

I yield the floor.

Mr. GREGG. Mr. President, I would note the next amendment will be that of Senator BYRD, who I understand is on his way, and he has the floor beginning at 2 o'clock. I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, we are making very good progress. It is very important that we stay on track.

The next amendment is a Byrd amendment on visa reform. That is to be followed by a Lott-Lautenberg amendment on Amtrak, followed by a McCain amendment in the 3:30 to 4:15 p.m. timeframe, then a Murray amendment on dual eligible from 4:15 to 5 p.m., an Ensign amendment from 5 to 5:30 p.m., and finally a Landrieu amendment or an amendment by someone I might designate from 5:30 to 6 p.m.

We only have 4 hours of debate left on the reconciliation matter. All of the time has been allocated.

I am informed that Senator BYRD is on his way.

I very much hope that Senators understand, because of the events of yesterday and because of the very tight time limitations under reconciliation, there simply was not additional time for other amendments.

Obviously, we will be going to votes on amendments tomorrow. I think we already have some 15 amendments. That means at least 5 hours of voting tomorrow. I hope colleagues will think about that very carefully: 5 solid hours of voting tomorrow with just the amendments so far.

I see Senator BYRD now entering the Chamber. His amendment is next.

I know the chairman of the committee shares the view that we need to move through the rest of these amendments expeditiously and then Senators recognize that tomorrow we are going to be casting a lot of votes. With what is already scheduled, already lined up, we will have 5 solid hours of voting.

We are glad to see the senior Senator from West Virginia, who will offer his amendment. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, we have almost completed the First Session of the 109th Congress and, incredibly, no serious debate about our immigration policies has occurred. Not a word. No serious debate.

The number of aliens residing illegally in the United States stands between 8 and 12 million. Let me say that again. The number of aliens residing illegally in the United States stands between 8 and 12 million—an alarming figure given the terrorism threat that confronts our country.

The level of legal and illegal immigration combined has surpassed historic records, causing increasing concern about the ability of our Nation to absorb the influx. Our roads, our schools, and our health care systems are overwhelmed and underfunded.

Go to any hospital in the area or in the surrounding area. Take a look at what is going on. The waiting rooms, the emergency rooms are overcrowded. Our infrastructure is just not ready for these influxes. We are being overwhelmed. Go to the emergency rooms at the hospitals. Go over to Fairfax Hospital, for example, one of the finest hospitals in the country. There they are on cots in the aisles. I know because I have been there. Our schools—how can we teach children when the schoolrooms are so overcrowded? What about our poor teachers?

Our infrastructure is just not prepared for this influx. Our roads are not prepared. And that infrastructure is being further worn away with the budget cuts included in this reconciliation bill. Right here.

Immigration is an issue that demands the attention of the Congress. Regretfully, we have been told that tougher enforcement actions will have to wait until next year. So imagine the surprise of Senators to find provisions buried deep, deep, deep in this budget bill that would authorize the Government to issue more than 350,000 additional immigrant visas each year to foreign labor seeking to live and work permanently in the United States.

This is baffling. Baffling. Baffling. It is baffling, I say. If we don't have the time to address the illegal immigration that threatens our national security, then how do we explain to the American people out there that we somehow found the time to raise the level of imported labor each year? How do we do that? How do we do that?

On pages 810 through 815, separate from the deficit reduction measures related to immigration fees, are provisions in the reconciliation bill that would raise the annual cap on employment-based visas and exempt the spouses and children of employment-based immigrants from that cap. In addition, those pages include provisions to increase temporary H–1B visas for high-tech workers by 30,000 each year. These are massive and destabilizing immigration increases, and they are hitching a free ride—hitching a free ride—on this reconciliation bill; a free ride on this reconciliation bill. Hitch on it to get a free ride.

It is bad enough that so many American jobs are moving overseas and wages and benefits here at home are being curtailed to compete with Third World labor and unfair trade practices. Now these provisions would make it more likely that working Americans will find themselves in competition with foreign labor for work in their own country and—and—is being done through this reconciliation process right here where the immigration increase is clouded by budget provisions and where debate and amendments are severely limited.

We are told that an immigration reform debate will take place early next year. Senators are casting themselves as tough—tough, man. Senators are casting themselves as tough on enforcement and wanting to protect American jobs. Well, that pronouncementstands in stark, stark contrast to this effort under the cover of procedural protections and the guise

of deficit reduction to increase the number of immigrants authorized to work in the United States by an astonishing 350,000 visas per year.

These immigration provisions are not necessary for the Judiciary Committee to comply with its reconciliation instruction, nor are they necessary to achieve the spending cuts embraced by the congressional budget. The House Judiciary Committee reported legislation to assess a $1,500 fee on L–1 visas for executives and managers of multinational corporations and that savings provision more than satisfies the budget's reconciliation instruction. So I hope that Senators will join me in striking these unrelated immigration increases and limiting the judiciary portion of this bill solely to an increase in the L–1 visa fee.

So the amendment that I will send to the desk is identical to the House language, excluding the provisions related to new judgeships, and would raise the L–1 visa fee to $1,500 per application. Again, this amendment simply strikes the unrelated immigration provisions and would still allow the Senate bill to meet its reconciliation targets.

My amendment has the support of the professional employee unions of the AFL–CIO, as well as immigration enforcement groups like Numbers USA and the Federation for American Immigration Reform.

AMENDMENT NO. 2367

I send that amendment to the desk and I ask Senators for their support.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 2367.

Mr. BYRD. 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 as follows:

(Purpose: To replace title VIII of the bill with an amendment to section 214(c) of the Immigration and Nationality Act to impose a fee on employers who hire certain nonimmigrants)

On page 810, strike line 17 and all that follows through page 816, lines 21, and insert the following:

TITLE VIII—COMMITTEE ON THE JUDICIARY

SEC. 8001. FEES WITH RESPECT TO IMMIGRATION SERVICES FOR INTRACOMPANY TRANSFEREES.

(a) IN GENERAL.—Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

''(15)(A) The Secretary of State shall impose a fee on an employer when an alien files an application abroad for a visa authorizing initial admission to the United States as a nonimmigrant described in section 101(a)(15)(L) in order to be employed by the employer, if the alien is covered under a blanket petition described in paragraph (2)(A).

''(B) The Secretary of Homeland Security shall impose a fee on an employer filing a petition under paragraph (1) to—

''(i) initially grant an alien nonimmigrant status under section 101(a)(15)(L); or

''(ii) extend, for the first time, the stay of an alien having such status.

''(C) The amount of each fee imposed under subparagraph (A) or (B) shall be $1,500.

''(D) Fees imposed under subparagraphs (A) and (B)—

''(i) shall apply to principal aliens; and

''(ii) shall not apply to spouses or children who are accompanying or following to join such principal aliens.

''(E)(i) An employer may not require an alien who is the beneficiary of the visa or petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

''(ii) Any person or entity which is determined, after notice and opportunity for an administrative hearing, to have violated clause (i) shall be subject to the civil penalty described in section 274A(g)(2).''.

(b) CONFORMING AMENDMENT.—Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended by inserting '', including those fees provided for in section 214(c)(15) of such Act,'' after ''all adjudication fees''.

(c) EXPENDITURE LIMITATION.—Amounts collected under section 214(c)(15) of the Immigration and Nationality Act, as added by subsection (a), may not be expended unless specifically appropriated by an Act of Congress.

Mr. BYRD. I see my friend, my bosom friend from Alabama, on the floor. I am told that he is going to speak at this point. I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I thank Senator BYRD for offering the amendment. There is a legitimate national interest in deciding how many of these visas should be allowed, and in deciding how much the numbers should be increased, if any. The matter came up before the Judiciary Committee, of which I am a member, within the last 2 weeks, the week before last. There was a good deal of discussion and disagreement and my amendment, almost identical to the amendment Senator BYRD is offering today, did not fully come out of committee. The Judiciary Committee is not a committee that is in any way backward looking and is not a committee that has no interest in having a fair immigration policy, but we had very strong disagreements within our committee regarding whether increases in H–1B visas and other permanent work visas were justified.

Senator BYRD is correct in raising the matter now and objecting and offering this amendment to fix it—what came out of the Judiciary Committee. The current bill language will increase the H–1B visa cap by over 30,000 a year and increase the number of permanent employment-based immigrants, not temporary, by 90,000 a year. Additionally, the current bill language allows all family members of the workers to immigrate to the U.S. and exempts family members from being subjected to the cap. They are currently allowed to immigrate, but are subjected to the annual cap. These changes compose a huge, important policy statement. These extra visas will indeed increase revenue, because an additional fee will be charged for each of these additional visas, but this is not just a budget decision.

Now let's be frank. We are in a national discussion about immigration. We need to be honest with ourselves. We need to do the right thing. We need to be compassionate. We also need to consider what is just, fair, and reasonable for our national interests. Any nation that aspires to be a great nation has every right, indeed it has a responsibility, to determine how many people come into their country and under what circumstances. We are into the process of debating how our immigration system should be reformed.

One of my first, biggest, and most important concerns is the timing of this policy change we might as well do this kind of thing as part of our overall immigration reform debate. We are going to continue it this year and probably in the beginning of next year we will be full-fledged into this discussion. To ram this language through as part of the Budget Reconciliation Act is unfortunate, and I do not think it is appropriate. That is why I support Senator BYRD's amendment.

What we come out with after we fully hear all of these issues discussed, how many the numbers would be, I do not know, but what the American people are concerned about is all we ever pass is something to increase the legal visa numbers, or to forgive people who have violated the law or that kind of thing. That is what we pass and pass and pass, and they are wondering and have been asking firmly and repeatedly in polling numbers and when we go home to townhall meetings and talk to our people, in the phone calls and letters we get, they are simply asking, why do we not have immigration laws that are enforced? Why do we not create a legal immigration system that actually works? Once that is done, they say, then you can talk to me, Mr. Senator, about how many more people ought to be allowed in every year. Let us get this thing under control.

So I think we are getting ahead of ourselves. I am not at all certain that these numbers are necessary. In fact, I do not think they are at this point. Just because somebody might be hired does not mean that this country fully and totally needs them in the coming year as a source of labor for our country.

Our Nation has been enriched by immigrants, talented, hard-working immigrants. For the most part, that is exactly what we are talking about. I do not dispute that we need to be discussing this issue. I do not dispute that we may need to raise that number that we have today to a higher number. I believe, though, the appropriate way to do it is after hearings, after discussion, as part of the overall fix and at the same time we can tell the American people not only have we been more generous to talented people who want to come and work but we have created a

system that keeps those who cheat, go around the law, undermine the law, to stop that from occurring. I believe that would be the appropriate, responsible approach to deal with it. I therefore will support the Byrd amendment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I want to thank the distinguished Senator from Alabama for his strong statement and for his support of the amendment. His statement is very convincing, persuasive, and timely. I am very grateful for his coming to the floor and his joining in the support of this amendment. I hope all Senators will read his statement and learn therefrom and support the amendment.

I reserve any time that I may have remaining, and I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from New Hampshire controls 28 minutes. The Senator from West Virginia controls 9 minutes.

Mr. GREGG. Mr. President, first I congratulate the Senator from West Virginia for bringing forward a thoughtful amendment, as always, and especially for the fact that it actually, I believe, adds to the savings, if I am not correct. So I cannot argue with that.

To be honest, I am not engaged in this issue. The bill was reported out of the Judiciary Committee. We have heard from Senator SESSIONS, who is a member of the Judiciary Committee. I understand Senator SPECTER is not going to have the opportunity to come over and debate this because he is involved in a variety of other issues today. I am sure he has thoughts and opinions on this because it was part of the package they reported.

I would like to speak briefly about the topic which the Senator from West Virginia has raised because I think it is such a critical one, which is the issue of our borders and how we deal with it. I do have the good fortune, along with the Senator from West Virginia, to have a responsibility for the Homeland Security Agency, he being the ranking member and I being the chairman of that appropriations subcommittee. We know that we simply have borders which are too porous.

This year, with the significant assistance of the Senator from West Virginia, we were able to increase the funding relative to the number of Border Patrol agents to add another 1,500 agents when we count the supplemental, and we were able to increase the number of detention beds taking it up to about 20,000. We were able to add significantly to the number of immigration enforcement officials, and we were able to expand technology. We are nowhere near where we want to be. In fact, I asked my staff what we need in this area and we really need a lot more. We need about another 8,000 Border Patrol agents. We need about another 10,000 detention beds. We need a significant expansion of the technology capability, satellite capability, unmanned vehicle capability, helicopters, transportation facilities for our agents and physical housing facilities. We need training facilities. There are a lot of resources that need to be committed.

As a result, basically, of the ramp-up time, it is very hard to get a lot of agents in place quickly because we want to get the right type of folks. It takes awhile to hire them. We are only able to hire and train about 1,500 a year. Hopefully, we can improve that.

Over the next 4 years, this is something I know the Senator from West Virginia and I are going to spend a significant amount of time and effort to try and make sure our borders are secure and that we do have borders where we can expect the people who cross those borders are crossing legally. Part of it, of course, is making sure that people who get visas pay for the cost of issuing that visa. This is what this amendment is about.

So I congratulate the Senator from West Virginia for his strong effort in this area. I appreciate his support as the ranking member on the Homeland Security Subcommittee and of course the ranking member on the Appropriations Committee. I look forward to continue working with him on this issue.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank my chairman for his sage remarks. Let me thank him also for the leadership that he demonstrates daily in the Senate and in committees. I have great respect for him. I serve on the Homeland Security Committee with him. He is a far-seeing, wise Senator. He acts in the service of his people and he too is concerned about the protection of our country and its security. I thank him from the bottom of my heart. I thank him for yielding.

Mr. GREGG. I obviously appreciate those generous comments coming from a man who is truly a legend in the Senate and has done an extraordinary service for this Nation over his many years in the Senate. I thank him. Those are very kind and generous comments.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VITTER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, several of the unions are very supportive of the amendment I have just offered. Among these unions, it should be mentioned that the American Federation of Government Employees is very supportive; the American Federation of State, County and Municipal Employees; the American Federation of Teachers; the American Federation of Television and Radio Artists; the American Guild of Musical Artists; the American Federation of Musicians; the American Federation of School Administrators; the Communications Workers of America, including the Newspaper Guild, the National Association of Broadcast Employees and Technicians, the International Union of Electrical Workers; the Federation of Professional Athletes; the International Association of Machinists and Aerospace Workers; the International Alliance of Theatrical Stage Employees; the International Brotherhood of Electrical Workers; the International Federation of Professional and Technical Engineers; the Office and Professional Employees International Union; Plate Printers, Die Stampers and Engravers Union of North America; the Screen Actors Guild; the Seafarers International Union; the United Steelworkers; the Writers Guild of America, East. These unions are trying to protect the health benefits and the wages of working Americans, and they say that American workers are available to fill these jobs.

The Department for Professional Employees, AFL–CIO, has a letter addressed to all Senators endorsing the amendment. Just to quote a few words from the letter:

> The 22 national unions represented by our organization strongly support the Byrd amendment and urge your vote for it.

Continuing, I speak again of the letter and call attention to these excerpts:

> There is absolutely no economic justification for expanding the H–1B program. Unemployment among professionals in H–1B occupations remains high . . .
>
> Finally, it is worth pointing out that industry apologists for off-shore outsourcing of American jobs have long proclaimed that one of the benefits of globalization would be the creation of high end, high skilled technical and professional jobs for workers in the United States. These same industries now seek to contract the number of these very same high end job opportunities that should otherwise be available to highly skilled American workers by once again expanding the H–1B visa program.
>
> On behalf of the 4 million professional and technical workers that are members of our unions, we urge you to oppose any action that would have the effect of making it more difficult for unemployed U.S. professionals to find work.

Mr. President, Senators will please take note of these words on behalf of these unions and the workers in the industries with which they are concerned.

Mr. President, I yield the floor.

Mr. GREGG. I yield the Senator from Georgia 10 minutes.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CHAMBLISS. Mr. President, I thank the Senator from New Hampshire, the distinguished chairman of the Budget Committee. I rise today in support of the budget reconciliation package passed by the Senate Judiciary Committee and in opposition to

this amendment. The Senator from West Virginia knows what great respect I have for him and his long-term service in this great institution. But I chaired the Subcommittee on Immigration, Border Security and Citizenship in the Senate Judiciary Committee during the 108th Congress. During that time, I worked very closely with my friends and colleagues, Senator KENNEDY and Senator GRASSLEY, to enact H–1B reform legislation. That is the part of the amendment I wish to address.

One of the most important aspects of that reform was to increase the H–1B visa fee to $1,500 per application to fund education and training programs for U.S. workers. In addition to the application fee, the legislation added a $500 anti-fraud fee to every H–1B visa application to detect and prevent fraud in the visa program.

The reconciliation package passed by the Senate Judiciary Committee, by a vote of 14 to 2, will generate $45 million annually from H–1B visa fees that will go toward scholarships and training programs for U.S. workers. It will also generate $15 million annually to enhance government enforcement of the H–1B program requirements that are designed to protect the U.S. workforce. These excess funds provide even more muscle to the Department of Labor's enforcement and U.S. worker education and training programs.

The Judiciary Committee's reconciliation package will allow for the recapture of up to 30,000 H–1B visas that were authorized and made available by Congress but went unused in previous years, provided the employer pays a $500 fee for each recaptured visa.

I believe this proposal injects much-needed flexibility into current law by allowing the flow of these highly educated and highly skilled workers to be driven by supply and demand rather than by an arbitrary cap each fiscal year.

Currently, only 65,000 H–1B workers are allowed into the U.S. each year. Over the past 3 fiscal years, 2004–2006, the H–1B cap was reached before the end of the fiscal year. A similar shortage occurred in the mid–1990s when demand for high-skilled workers outpaced supply due to the high-tech boom. Congress responded to the needs of the U.S. economy in the 1990s by increasing the H–1B cap to 115,000 for fiscal years 1999 and 2000 and then increasing it again to 195,000 for fiscal years 2001–2003.

By allowing the recapture of up to 30,000 H–1B visas for the next 5 years, Congress will only be returning the total number of H–1B visa holders allowed to come to the U.S. to the fiscal year 1999 levels. I know that many companies, in my home State of Georgia, ranging from the biggest beverage companies and airlines in the world, down to small businesses, rely on access to these H–1B workers to effectively compete in the global economy.

Other companies rely on the expertise of foreign specialists to perform much-needed services their companies provide. For instance, recently, a small company with 60 employees—all U.S. citizens—was awarded a contract with the Pentagon to improve rapid response communications between agencies in the event of a natural disaster or terrorist attack.

Not only are innovations like these critical to the security of citizens of my home State, but they also can help create jobs for Americans everywhere as demand for the innovation grows and the company expands.

This company wanted to bring in a specialist from Northern Ireland to lead its development efforts. The company applied on behalf of this specialist in August 2005 to come in on one of the available H–1B visas for fiscal year 2006. However, there were no remaining H–1B visas available for fiscal year 2006 and as a result, this company will have to wait until fiscal year 2007—14 months—to bring this specialist to the U.S.

I am supportive of the increased flexibility provided in the Judiciary Committee's reconciliation package. When adequate U.S. worker protections are in place, as they are in the H–1B visa program, with strict wage requirements and labor market tests, Congress should facilitate the success of U.S. businesses with our immigration laws.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from West Virginia has 1 minute 3 seconds.

Mr. BYRD. Mr. President, the National Research Council has estimated that the net fiscal cost of immigration ranges from $11 billion to $22 billion per year, with most government expenditures on immigrants coming from State and local coffers.

Mr. President, how much is enough? How much is enough? In 2000, the Congress increased H–1B visas to 195,000 per year for 3 years, authorizing over half a million new visas. Last year, the Congress authorized 20,000 new H–1B visas each year, every year. The Immigration Act authorizes more than 140,000 employment-based visas each year. How much is enough? How much is enough? I say enough is enough.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I join once again with the ranking member of the Budget Committee to remind Members that we now have pending approximately 15 amendments and that it will take us 5 hours tomorrow to vote those amendments. Tomorrow evening, we are going to adjourn at 6 o'clock under any scenario, so if we cannot complete voting, we will be here on Friday. I do hope Members will be conscious of that as we move forward into the rest of this evening.

I understand when this amendment is over we will then be proceeding to the amendment by Senators LOTT and LAUTENBERG relative to ANWR.

At this point, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. CONRAD. Mr. President, perhaps this is a good time to remind colleagues of the lineup and encourage those who have remaining amendments to come to the floor. If there is anyone wishing to speak during the next 15 minutes, there is time available.

Now that we have gone to the Byrd amendment, the next amendment up from 3 to 3:30 is the Lott-Lautenberg amendment, to be followed by the McCain amendment from 3:30 to 4:15, from 4:15 to 5 the Murray amendment on dual eligibles, to be followed by the Ensign amendment on DTV from 5 to 5:30, and then the Landrieu amendment or an amendment to be designated from 5:30 to 6.

I hope very much that colleagues who have requested time watch the floor closely. We are down to the last 3¼ hours on the reconciliation bill in terms of debate time.

If there are those who have not had a chance to speak, if they watch the floor closely—a number of these amendments may not take the full amount of time—that would be their opportunity to talk.

As I have indicated, we have a few minutes left before 3 p.m.

If there are Senators listening or staff listening and their Senator would like a chance to speak, either on the Republican side or on this side, this is their opportunity. This is one of their opportunities. There may be a few more left, but it is a fleeting opportunity.

Mr. GREGG. Mr. President, I think it is important for people to appreciate what the Senator from North Dakota has said. Tomorrow, we will a have a minimum of 5 hours of votes. Some of these votes are going to get fairly complicated because there will be points of order of various nature. People will have to be here all day and ready to vote.

If our membership remembers, during the Budget Committee, the Senator from North Dakota and myself took a position that we should move quickly through the votes, and we will take the same position tomorrow. Members should be on the floor tomorrow all day.

Mr. CONRAD. Mr. President, if I could revisit the point, I hope colleagues understand what we are headed for tomorrow. It is not going to be fun. We already have 5 hours, at least, of voting tomorrow. We hope people take

that into consideration as they think about their schedules tomorrow.

The chairman might remind us. We start tomorrow at 9 o'clock and we will go right to votes; is that not correct?

Mr. GREGG. That is correct.

Mr. CONRAD. Colleagues should be aware that tomorrow is going to be a day of voting one vote right after another. Votes have already been scheduled for 5 solid hours, at least. This is a time for restraint. This is a time for colleagues to realize what it is like when we go into these vote-aramas and to try to reduce the number of votes that colleagues are asked to take.

When you get into this vote-arama, it almost becomes hard to fully appreciate and understand the votes you are casting. These votes come so fast and so furiously.

I hope colleagues are thinking about that as they consider how we conduct the business of the Senate tomorrow.

I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. GREGG. Mr. President, I yield such time as he may consume to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Thank you, Mr. President. I thank the manager of the bill and the ranking member.

I wanted to speak in opposition to the amendment filed by the distinguished Senator from West Virginia that would strike the Judiciary Committee's H–1B visa provisions and insert a prior amendment, the Sessions amendment, that actually was defeated in the Judiciary Committee.

This, of course, is an attempt by the Judiciary Committee to comply with the reconciliation instructions to generate some additional funds to meet the budgetary requirements of the budget resolution.

This is a part of the reconciliation process with the Judiciary Committee to come up with some savings funds to meet the instructions of the Budget Committee. The Judiciary Committee decided to sweep all of the unused H–1B visas for the last few years and to use that as a means to satisfy the reconciliation instructions.

The ability to track and retain the best talent around the world is a major factor in American competitiveness. Arbitrary caps on employment-based green cards and temporary visas for highly trained workers hurt our ability to track and keep that talent and ultimately jobs here in the United States.

In other words, for all of those who are concerned about outsourcing jobs out of America to other countries ought to be in favor of this Judiciary Committee provision and be opposed to the amendment filed by the distinguished Senator from West Virginia. It will keep jobs here in America rather than export them to places like India and China.

The Judiciary Committee in the House met its budget reconciliation obligation by imposition of a $1,500 fee on L–1 visas. The L–1 visa is used by multinational companies to transfer executives, managers, and employees with specialized knowledge. This additional fee would not be used to improve processing or otherwise provide relief on other pressing immigration issues such as the H–1B cap being reached 2 months before the fiscal year even began or 2 months after it began.

That proposed solution by the distinguished Senator from West Virginia will do nothing to address that critical need of the American economy.

Restoring access to the previously allocated H–1B visas will not only make significant strides toward deficit reduction through the additional fees that will be charged but also raise significant additional sums for scholarships and training of U.S. workers. It will also provide additional money for enforcement against fraud in the immigration system.

The fact of the matter is the United States of America is not training a sufficient number of engineers and scientists. In 2001, only 8 percent of all degrees awarded in the United States were in engineering, mathematics, and the physical sciences, which is more than a 50-percent decline since 1960.

Today, more than 50 percent of all engineering doctoral degrees awarded by U.S. engineering colleges are to foreign nationals.

The United States must find a way to increase the pipeline of U.S. engineers. I know many companies already partner with U.S. universities and colleges, and indeed this is a long-term challenge of our economy—to create a sufficient number of homegrown engineers and scientists to meet the demands of our innovative economy. But in the short term, we must ensure that our immigration policies do not unnecessarily restrict access to highly trained individuals, the kinds of employees that will create those additional jobs here in America.

Once again, the demand for high-tech temporary visas far exceeds the statutory cap imposed by Congress.

As I mentioned a moment ago, the fiscal year 2006 visas were gone 2 months before the fiscal year even began. They ran out in August 2005.

There is also a shortage of green cards, even for certain multinational managers and executives. That means that in addition to the years of processing delays, many immigrants must now wait several more years for a visa to be available.

We need comprehensive immigration reform in this country. We need to do more, a lot more, to strengthen our borders, to make sure that we know who is coming into our country and why they are here.

Indeed, this body, I am confident, will be addressing that need for comprehensive immigration reform in the near future.

But it is more than border enforcement—it is interior enforcement. It is enforcement at the workplace. But it is also making sure that by sensible immigration laws we provide the trained workforce necessary for American businesses to thrive and prosper and create additional employment here in America.

On the other hand, the distinguished Senator from West Virginia has proposed no raising of the cap to keep unused H–1B visas from previous years but instead to put a tax on the L–1 visa of $1,500 each. These L–1 visas are issued pursuant to trade agreements with countries such as Chile, Australia, Singapore, and other countries so that when they conduct business operations in the United States, pursuant to these free trade agreements, their managers and high-level employees can actually come here pursuant to that free trade agreement.

Likewise—this is the important part—our managers and high-level employees can go to their country, pursuant to the free trade agreement, so that the benefits of this free trade agreement can be reached in the fullest.

It doesn't take much of an imagination to imagine that if we put a $1,500 tax on each L–1 visa issued to employees of some nation that has a free trade agreement with the United States, they will simply turn around and retaliate and impose the same fees on American workers in those countries.

Rather than producing additional revenue, this will, in essence, be a wash. In other words, this amendment does nothing to solve the problem about a shortage of highly trained engineers and scientists who come here because we simply don't have enough on a temporary basis so that jobs can stay here.

This amendment does not solve that problem. This amendment, also, I believe, creates additional problems and distortions in our relationships with countries with whom we have negotiated and authorized a free trade agreement.

It is not only not helpful to the cause that we are seeking to cure by the Judiciary Committee's proposal, it is positively harmful in that it creates the potential for retaliation.

I wish we lived in a world where all of the good, high-paying, innovative jobs we create in this country could be satisfied by American workers. Indeed, the H–1B visa program requires that companies advertise for Americans first and that they pay people who get H–1B visas comparable wages with what an American worker would make so that there is no manipulation of this visa to pay perhaps a foreign worker far less and undercut the wages of

American workers. There are already protections built into our immigration laws to make sure that doesn't happen.

In conclusion, I urge my colleagues to vote against the Byrd amendment. And I urge my colleagues to uphold the reconciliation bill, and vote it out as part of this package through the Budget Committee.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, parliamentary inquiry: What is the situation now? I was told that we needed to call up an amendment at 3 o'clock. We are ready to go on. Senator WYDEN, is he commenting on the subject at hand?

Mr. WYDEN. Mr. President, that is correct. I want to propound a unanimous consent request.

Mr. LOTT. I withhold recognition.

Mr. WYDEN. Mr. President, I ask unanimous consent once the Senate has completed its business on this legislation for tonight to be able to speak for up to 45 minutes on the issue of bargaining power for the Medicare Program to hold down the costs of prescription medicine.

Mr. GREGG. Reserving the right to object, I have no problem, but there are a couple of folks we have to clear that with. We will try to do that promptly so we can arrange this.

Mr. WYDEN. If the Senator from New Hampshire has given me his response, I gather you would like me to hold off on my unanimous consent request.

Mr. GREGG. I appreciate that; or if we clear these, you do not have to stick around and we will make the request for you.

Mr. WYDEN. I appreciate the offer from the Senator from New Hampshire.

When the distinguished Senator from New Hampshire and the Senator from North Dakota have completed the processing of the various amendments, I would like to have the opportunity to speak for up to 45 minutes. Perhaps other colleagues will want to participate on the question of holding down the cost of prescription medicine.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

AMENDMENT NO. 2360

(Purpose: To reauthorize Amtrak and for other purposes)

Mr. LOTT. I call up amendment 2360 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 2360.

Mr. LOTT. I ask unanimous consent the reading of the amendment be dispensed with.

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

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

Mr. LOTT. I take a few moments to talk about Amtrak and the intercity passenger rail. Several years ago, during the 1990s, I worked with colleagues on both sides of the aisle to pass Amtrak reform. We got it done. It provided some improvements in Amtrak. It gave the Amtrak board some additional authorities, some of which they have used successfully and some of which they have not taken advantage of. I even said at that time I was convinced they could become self-sufficient, that they could make enough changes, they could make enough off revenue that we would not have to continue to pass funds each year through the appropriations project for Amtrak.

I now am prepared to admit that is not going to happen. If we want a national rail passenger system, we have to figure out exactly what we want, how much are we willing to pay for it, and how that will happen. I don't think we can do it with appropriations bills each year. We are going to have to think more broadly and be innovative in what we allow the Amtrak board to do. Some of the lines will probably have to be shut down and some of the services curtailed. We have to make that decision.

In the appropriations bill that passed a week or so ago, the Treasury, Transportation, Housing and Urban Development appropriations bill, funds were included and some small reform provisions. We have to go beyond that. We have to have some broader reform. In fact, the administration has made it clear they will be in a position of having to oppose annual appropriations for Amtrak, the national rail passenger system, unless we have some reforms.

I started back in January trying to work through that and tried to see if we could get some reforms. I did what I think is due diligence. I worked with the ranking member on the Subcommittee on Surface Transportation. I worked with the chairman of the full committee and the ranking member, Senator STEVENS from Alaska and Senator INOUYE from Hawaii, and Senator LAUTENBERG, my colleague from New Jersey, who is in the Chamber. We talked about what we needed to do.

We also reached out and talked to the Amtrak board members, the Inspector General, the Secretary of Transportation, we talked to labor, we talked to the users, and we started moving toward developing some reform. We came to the conclusion of what is in this amendment. It is S. 1516, the Passenger Rail Investment and Improvement Act. The bill was reported by the Commerce Committee in July after having had hearings. By the way, it passed with only one dissenting vote. It is a bipartisan bill. It is ready to be taken up by the full Senate.

I tried to help the leader find time to have this legislation considered in regular order, but have not been able to get it cleared. Because of the way the Treasury-Transportation appropriations bill is written, I guess we could move to try to get this additional language in the appropriations bill, but I would like the Senate to know what we are doing here and have a chance to look at it and have a chance to vote on it.

I assume there is broad support for a national rail passenger system, including the Northeast corridor and for interstate rail service. But we want some reform, too. That is why I am offering it here so it can be considered, within reasonable time limits, and so our colleagues will have a chance to take a look at it and actually express themselves. I emphasize it was developed with input from the administration, input we continued to include up until very recently. The Inspector General, Department of Transportation, has been very helpful in this regard.

The bill makes a number of important reforms to Amtrak. There are three major themes: reform and accountability, cost cutting, and creating funding options for States. By increasing executive branch oversight over Amtrak, which they wanted and which I agree is acceptable, this bill ensures that taxpayers' money is used more effectively.

Under the current president, David Gunn, Amtrak has made some improvements in its management but more needs to be done. They need us to give them the authority to do that. Amtrak must be run more like a business. This bill requires Amtrak to develop better financial systems and to evaluate its operations objective. It forces Amtrak to improve the efficiency of long-distance train service. People are not going to ride a long-distance train if they are going to wind up arriving 12 hours late to their destination. Some people say we should cut out food service and sleeper trains. Are you going to get on a train traveling overnight from Florida into Washington, DC, and not have any food, not have a sleeper option? Maybe we will have to evaluate that, but before we start cutting out services, we need to see if we can't find other ways to be efficient and make Amtrak attractive.

The bill reduces Amtrak's operating subsidy by 40 percent by 2011 by requiring Amtrak to use its funding more effectively. The bill requires a greater role for the private sector by allowing private companies to bid on operation Amtrak routes. Some people have reservations about that. We have to think about ways we can provide better service at a savings. This is one area we should consider.

The bill also creates a new Rail Capital Grant Program States can use to start new intercity passenger rail service. As a matter of fact, there is a real need for this intercity passenger rail service within States. It is being done in several States, being done pretty well, but in order to expand it we need a program that specifically provides funds for it. This will not be the first time the States will have a Federal program they can use for passenger rail. But it will be a very important improvement putting intercity passenger rail on a similar footing with

highways, transit, and airports—all of which have Federal assistance through infrastructure. Some people say, my goodness, we cannot help Amtrak. Do we help the highways? Do we help the airlines? If we want a complete system of infrastructure and transportation, America needs to include rail as well as highways and air. States do not want to rely only on Amtrak for intercity rail service.

It is unusual to add this to a bill that is intended to reduce the deficit. I appreciate the work that has been done. I don't want to delay it or encumber it, but time is running out. If we do not get some reform to go with the money, we may not be able to get the money. Do we want Amtrak to wither on the vine? Do we want it to die because of our incompetence or failure to act? This is part of the process.

The administration has indicated it will not support any funding for Amtrak this year unless we do that. This gives an opportunity to look at it and speak on it. I hope my colleagues will allow us to add this amendment to the deficit reduction package.

I yield to Senator LAUTENBERG for any comments, unless the chairman has some action he needs to take.

Mr. GREGG. If the Senator from Mississippi would allow me to inquire as to the time remaining.

The PRESIDING OFFICER. The Senator from Mississippi has 6½ minutes remaining.

Mr. GREGG. I assume the Senator from New Jersey will take the 6½ minutes. The Senator from Oregon wished to speak on the bill generally. It does not appear there will be a number of people speaking in opposition. After the Senator from New Jersey uses the 6 minutes, I suggest yielding part of the opposition time, should no one come in opposition, and I will yield that to Senator SMITH from Oregon. That is not a unanimous consent request; that is a game plan.

Mr. LAUTENBERG. Mr. President, what is the distribution of time? I thought we had 15 minutes.

Mr. GREGG. You do, and you have 6 minutes left.

Mr. LAUTENBERG. Six of our 15? Was that the arrangement, I ask the Senator from Mississippi? I thought we had a clear 15 minutes on our side.

Mr. LOTT. I was under the impression we had 15 minutes on each side. I used about 9 minutes of our time and there is 6 minutes left, so I believe you have 15 minutes if you want to use it. I thought it was 15 minutes on each side.

Mr. GREGG. But I understand Senator LAUTENBERG is a cosponsor, so he does not get 15 minutes.

Mr. LAUTENBERG. I am not hearing the Senator from New Hampshire.

Mr. GREGG. It is my understanding you are a cosponsor of the amendment.

Mr. LAUTENBERG. But I thought it was clearly understood. I ask unanimous consent we have 30 minutes, except for the time used already, divided in the presentation. This is an important amendment. I ask unanimous consent we be allowed 30 minutes, minus the time the Senator from Mississippi has already used.

Mr. GREGG. Mr. President, that means there would be no time in opposition.

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

Mr. GREGG. Obviously, when the amendment was structured, it was that there be half the time in opposition and half the time for the proponents. Right now there does not appear to be any Member here actively in opposition. Senator SMITH would like to speak on the bill. I was thinking some of the opposition time could go to Senator SMITH.

How much time does Senator SMITH desire?

Mr. SMITH. I probably would not need more than 15 minutes.

Mr. GREGG. Fifteen minutes.

Mr. DODD. Will the Senator yield for a further request?

Mr. GREGG. For the purpose of a question.

Mr. DODD. Is it possible in some order here after the Senator from Oregon, could I be heard for 10 minutes on the bill itself on another amendment?

Mr. GREGG. I don't think so, to be honest. It appears we do not have any time, either, for Senator SMITH.

Mr. CONRAD. Parliamentary inquiry: Who controls the time in opposition?

The PRESIDING OFFICER. The majority manager controls the time in opposition.

Mr. CONRAD. The majority manager controls the time in opposition and the majority manager is not in opposition.

Mr. GREGG. The majority manager is going to control the time in opposition.

Mr. CONRAD. I understand.

I ask the manager, is there a way we can perhaps parcel out the time in a way that would be acceptable to the manager?

Mr. GREGG. I suggest that the Senator from Oregon can do his statement in approximately half the time, 7½ minutes. Is that possible?

Mr. SMITH. I will certainly try.

Mr. GREGG. And we take the balance and parcel it between the Senator from Mississippi and the Senator from New Jersey since they were already here.

As for the request of the Senator from Connecticut, hopefully, there is another window coming along so we can hear the Senator's concerns.

Mr. LAUTENBERG. How much time is still available to the proponents of the legislation?

The PRESIDING OFFICER. Six minutes 22 seconds.

Mr. LAUTENBERG. Six minutes 22 seconds.

The PRESIDING OFFICER. The opposition has 10½ minutes.

Mr. LAUTENBERG. We have several requests for time to speak on this amendment. I wonder whether it is not possible to give us the opportunity to have those who would speak on behalf of the amendment offset by any opposition, in an equal amount of time, to give us 15 minutes to let the proponents make the case.

We will try to be as brief as we can. We will try to be as brief as we can, so we can develop high-speed service for Amtrak and scoot along.

The PRESIDING OFFICER. There is 9 minutes 22 seconds in opposition.

Mr. GREGG. Mr. President, I suggest we get started and have the Senator from Oregon speak for 7½ minutes, and then the remainder of the time will be available to Senator LAUTENBERG and Senator LOTT as they decide to divide it.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 7½ minutes.

Mr. GREGG. Seven and a half minutes.

Mr. SMITH. Mr. President, it is always difficult for Congress to save money. As the keepers of our Nation's checkbook, our main responsibility lies in allocating our resources where they are needed most. Instinctively, we as Senators like to send help to those who are in need, improve our infrastructure, and prepare for future crises. Yet, in order to adhere to our budget, we are considering a reconciliation bill that requires us to save a significant amount of money.

While saving money during a time when there is so much need in our country is a very arduous task, the reconciliation package we are considering today is not only fiscally responsible but also morally defensible. This is a bill that protects the less fortunate among us. It takes pains to preserve the vital safety-net programs that millions of Americans rely on for such basic needs as feeding their families and receiving proper medical care.

The package before us represents the work of five different committees and contains many hard-fought compromises. As is true with most pieces of legislation, it is not perfect, especially when considering the many interests involved in an undertaking of this size and complexity. Yet when you consider the policies that are not included in this bill, I believe even many of my Democratic colleagues will have to agree that this bill represents a true victory for our Nation's poor because we found efficiencies through government and did so in a manner to protect people from harm.

In recognizing this victory for America's poor, I would be remiss if I did not thank Chairman GRASSLEY for his diligent work in compiling this bill. He managed to unite Members with diverse views and goals, many of whom were skeptical of the process. For this, Chairman GRASSLEY is to be congratulated.

I also commend Leader FRIST for his tenacious efforts to hold this delicate agreement together and shepherd it through the full Senate. The same can

be said for Chairman JUDD GREGG who has, likewise, been patient with me and others and persistent in trying to accomplish this very important piece of legislation. To be sure, it is quite a challenge, but one which I am confident we will succeed in achieving.

Our greatest victory in this bill lies not in what is included in the reconciliation package but what we succeeded in keeping out of it. While all components of this bill are important, there are two areas that if done incorrectly would have unraveled the very fabric of our Nation's safety net system—Medicaid and food stamps.

Since March, I have worked with leadership to ensure that proposals intended to undermine the programs were not included in this bill. I established five very straightforward criteria on which to judge the package.

First, the $10 billion in savings the Finance Committee was instructed to find would come from both Medicare and Medicaid; second, that any savings achieved through policy would not impact beneficiary access or coverage under Medicaid; third, that we did not simply cost-shift to the States; fourth, that food stamps should be protected from reductions; and finally, that we would not utilize flawed and unjustifiable policies that result in cuts to services for the poor to pay for spending on providers or people at higher income levels.

When you review this package, I believe you will agree with me that it meets all of these principles. This reconciliation bill protects our most vulnerable and achieves savings by utilizing system efficiencies rather than placing an undue burden on our poorest citizens.

For instance, we did not put forward cost-sharing requirements in Medicaid. While some of my colleagues will argue that the poor get a free ride under Medicaid and Congress should require them to contribute to their health care, studies actually show this to be a fallacy. In fact, according to the Bureau of Labor Statistics' Consumer Expenditure Survey, people with annual incomes under $20,000 contribute far more toward their health care—15.2 percent, to be exact—compared to Americans with annual incomes above $70,000, who contribute just 2.6 percent.

Additionally, because those who receive assistance through Medicaid have such diverse needs, we should not assume a one-size-fits-all policy will work for all States. In fact, looking at the experience of my home State of Oregon, it is clear that cost-shifting does not generate money to be reinvested into the system; rather, it acts as a barrier to care. Now, this may be the objective of some. It is certainly not my objective.

Following Oregon's move to implement what they thought were modest premiums and copayments, the State only saved money because 50,000 Oregonians lost Medicaid coverage. The State's own research shows no savings were generated from the actual premiums or copayments. Implementing such a policy nationwide would result in millions of Americans losing Medicaid coverage and joining the ranks of the uninsured and shifting the cost of their care to private insurance plans.

Another critical program the Senate protected from cuts—and for this I must commend my colleague, Senator SAXBY CHAMBLISS of Georgia—is food stamps. According to a report released last week by USDA's Economic Research Service, the number of households nationwide that were food insecure increased to 11.9 percent, and those who are considered hungry increased to 3.9 percent. The major assistance received by these families comes through the Food Stamp Program, which on average helped about 23.9 million people each month in fiscal year 2004. It is also important to note that most food stamp recipients are children or elderly in poor families with a gross income of $643 per month.

Oregon has made bigger gains than any other State in the Nation in its fight against hunger, drastically reducing its hunger rate. USDA's report showed that Oregon's food insecurity rate dropped from 13.7 percent of households in 1999 to 2001 to 11.9 percent for 2002 to 2004. The report further showed that Oregon's hunger rate dropped over the same period from 5.8 percent to 3.8 percent—the biggest decline in America. Oregon's policy analysts and food relief leaders believe that the State's aggressive food stamp outreach is to credit for the decline in Oregon's hunger rate. By 2002, 81 percent of those eligible, or more than 427,000 Oregonians, received food stamps—the highest rate in the Nation. I am proud of Oregon's achievement and pleased this bill does not include any cuts which would jeopardize the tremendous progress we have made in recent years.

We also excluded policies that, while cloaked as a crackdown on fraud, waste, and abuse, simply are known to result in cost-shifting to States and private plans. One such proposal is called Intergovernmental Transfers or IGTs. Some have argued we should draw a hard line in Federal statute to prevent the use of IGTs. However, if you step back for a moment and review the rules presently governing these policies, you will find that the Centers for Medicare and Medicaid Services already has the authority to enter into these types of agreements with States and to force States to change their arrangements. In fact, CMS has required 26 States to adjust their so-called IGTs to better reflect what CMS believes is appropriate and has just 7 others to go in which it wants to make adjustments.

I fear that by drawing a hard line on this policy, we will remove CMS's flexibility to work with States to ensure that access and coverage are not impacted. After all, some of the biggest recipients of aid from these arrangements are children and public hospitals. Those facilities are on the front lines serving the people in need.

We also rejected policies that would have abdicated the Federal Government's responsibility to ensure certain levels of access and coverage for Medicaid beneficiaries. Many of the Governors support instituting broad authority for States to restructure their programs by changing benefit packages and eligibility standards.

As a former president of the Oregon State Senate, I am a staunch advocate of States being the test bed of ingenuity. Over the history of Medicaid, we have seen numerous examples of States finding new and innovative solutions to make their programs more efficient and able to serve more people. In fact, Oregon's creation of the Oregon Health Plan is just such an example of a success. However, I feared that in a rush to complete the budget reconciliation process Congress would simply provide too much open-ended flexibility that ultimately would undermine the cornerstone of Medicaid—ensuring access to a comprehensive benefit package for those with diverse health care needs. That is why I worked to ensure that these types of proposals are left for when we take a comprehensive review of the program that is based on a thorough understanding of the implications.

In developing this package, consideration was given to Medicaid's long-term care program. It is unfortunate that our Nation has not done more to prepare for the needs of an aging population. Medicaid currently is the long-term care provider for most Americans, regardless of their wealth. However, some policies were put forward that I could not support. They would not have solved the problem, which is that some people try to hide their assets so they can be passed on to heirs upon their death. Rather, I believe they would have succeeded only in penalizing unknowing seniors with limited money because of transfers they made with good intentions to some of their family members or charities. Instead, I continue to advocate for reviewing this system thoroughly and develop policies that encourage Americans to seriously plan for their long-term health care needs. Only then will we truly address the growing challenge of an aging population.

Many of us have worked extremely hard to craft a reconciliation package that is morally defensible and achieves savings through sound policy decisions instead of arbitrarily cutting aid to those who need it most. By passing this bill as it stands we are sending a strong message that the U.S. Senate will fight vigorously for those who cannot fight for themselves. The policies we adopt as they relate to Medicaid and food stamps will be and must be the basis for any reconciliation bill that is ultimately considered by this body. We owe it to the American people to let them know that their Congress will not

turn its back on our less fortunate citizens.

Hubert Humphrey once said:

> The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy, and the handicapped.

In light of this standard, the reconciliation package before us is a success and I offer it my full support.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. LAUTENBERG. The Senator from Mississippi, I assume, yields time.

Mr. LOTT. Mr. President, I yield such time as he may consume to the distinguished Senator from New Jersey, provided it is not more than the time we have allocated.

The PRESIDING OFFICER. The Senator is recognized for 6 minutes.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Mississippi and commend him for the development of this amendment.

Mr. President, I rise to echo the sentiments of Senator LOTT, who serves so ably as chairman of the Commerce Committee's rail subcommittee. Like him, I believe it is critical that we act to improve passenger rail service in our country.

One of the lessons we learned on 9/11 was that our Nation cannot afford to rely entirely on one mode of transportation. When our aviation system shut down that day, Amtrak was able to reunite thousands of travelers with their families. We also saw chaotic evacuations during the recent hurricanes, with motorists stuck in traffic for hours, and those without cars left behind. We need rail service to help move our citizens to safety during emergencies.

And, of course, congestion isn't just limited to our roads. The DOT has had to cap the number of flights at Chicago's O'Hare airport cutting 37 flights a day because of congestion. Even between here and New York City, ground delays can be as much as an hour, when the flight itself is only 39 minutes of air time. We all know flight delays and cancellations are common. Coupled with long security lines, they make air travel increasingly stressful.

If we give people a choice that is viable and reliable, many will choose rail. Amtrak enjoyed record ridership last year—more than 25 million passengers—and about as many travelers ride the train between here and New York City as fly.

Other nations understand the importance of rail. Unfortunately, we have been lagging behind. I remember a NATO trip I took from Paris to Brussels. There are 18 trains a day between these two cities. The 210-mile trip takes about 85 minutes.

The Europeans aren't any smarter than we are. They simply have made a smart investment in passenger rail. Germany, with its modern, high-speed rail system, invested $9 billion in 2003 alone. And the benefits of their world-class system are obvious to anyone who travels there. We need a similar world-class system in our country.

States are in need of Federal leadership to help make improved intercity passenger rail service a reality, but the infrastructure needs are prohibitive.

Our amendment authorizes funding for Amtrak's capital needs, as well as State grants for passenger rail. We make a significant Federal investment in roads—$35 billion a year. By comparison, we spend almost half that amount on airports and air traffic control towers.

This bipartisan amendment will ultimately provide millions of Americans with more transportation choices.

So Mr. President, in the interests of less congestion, lower fuel demands, and an improved environment, I ask my colleagues to support the Lott-Lautenberg amendment.

With that, Mr. President, I yield the remainder of my time back to my colleague from Mississippi, should he need it.

Mr. LOTT. Mr. President, parliamentary inquiry: How much time do we have remaining?

The PRESIDING OFFICER. One minute 28 seconds.

Mr. LOTT. One minute. Mr. President, I have no requests for time. It is such a good bill and such a great amendment, I just cannot believe there would be any Senator who would rise to oppose it.

Mr. LAUTENBERG. Mr. President, I would like to be as accommodating to the manager of the bill, the Senator from New Hampshire, as I can be, so I relinquish the floor.

I relinquish the time.

Mr. CARPER. I would like to thank Senator LOTT and Senator LAUTENBERG for working so hard to find a way for this important legislation to be considered by the Senate. The lack of authorizing language governing Amtrak—and all the entities with oversight over the railroad—has lead to sporadic, uncoordinated, and often contradictory actions by the administration, the Amtrak board of directors, and Congress.

The year began with the President proposing to reform Amtrak through bankruptcy. Thankfully, this was answered by strong support for continued stable Amtrak funding in the House.

And here in the Senate, we have provided $1.45 billion for the railroad in fiscal year 2006, allowing Amtrak to continue their capital improvement program.

Much of this capital improvement program is designed to bring the Northeast corridor into a state of good repair. This is so badly needed because the Federal Government has ignored its responsibility to maintain the corridor for decades.

There were also several authorizing provisions in the transportation spending bill, including language addressing food service and State contributions to the Northeast corridor. While these provisions were removed on the Senate floor, they were initially included because of strong interest in improving Amtrak service and making the railroad work better.

We may disagree on how to reform Amtrak, but that is the motivation. And we turn to appropriations bills when there is no opportunity to consider a more comprehensive reauthorization bill.

Adding to the confusion, the Amtrak board of directors proposed their own reform package last spring. But since then, the board has changed direction on some issues. For example, the board claimed in their reform package that separating the Northeast corridor from the rest of the railroad's operations would be too complex and would not improve operations.

Then in late September, that same board adopted a resolution calling for the creation of a wholly owned subsidiary to manage the Northeast corridor infrastructure.

It is clearly time to pass a new reauthorization bill and set out a comprehensive, steady policy for Amtrak. An Senator LOTT and Senator LAUTENBERG have introduced an excellent one.

The Passenger Rail Investment and Improvement Act, S. 1516, was passed by the Commerce Committee in July by a vote of 17 to 4. It has strong bipartisan and broad geographical support, including Senators from Alaska to Hawaii and Delaware to Montana.

The Passenger Rail Investment and Improvement Act would reduce Amtrak's operating subsidies by 40 percent but would also authorize capital funding for the States to invest in passenger rail infrastructure. This is modeled on the incredibly successful system we employ to support our highway and airport infrastructure.

Through the Passenger Rail Investment and Improvement Act, we hope Act, we hope to create a national rail policy that allows Governors to make transportation decisions for their States based on what the State needs, rather than which mode of transportation is more highly subsidized by the Federal Government. This is essential if we are going to have an integrated and efficient national transportation system.

I wish this legislation could have been considered on its own. But it has been 3 years since the last authorization bill expired, and it is time Congress prioritize our Nation's passenger rail system.

We need to move this legislation quickly or continued confusion is likely at Amtrak. This confusion reduces the railroad's ability to provide good service, troubles creditors and riders, leads to short-term decision making and deferred maintenance, and costs the Federal Government more in the long run.

I urge support for this amendment.

Mr. BURNS. Just a few weeks ago, the Senate passed the Transportation

appropriations bill, which included $1.45 billion in Amtrak funding.

This amendment today represents the next step in continuing the fight to reform Amtrak in a way that preserves passenger rail as a necessary component in our Nation's transportation system.

The Empire Builder, which runs through Montana, serves an important public need, and I appreciate the work of Senators LOTT, INOUYE, and LAUTENBERG on developing this reauthorization bill.

This bill provides needed reforms to help Amtrak operate more efficiently but does so in a way that enhances, rather than harms, existing service.

Amtrak is a key component of Montana's infrastructure, and folks feel pretty strongly about keeping the Empire Builder operational. Conservative estimates indicate that the Empire Builder brings roughly $13 million annually into Montana.

Recently, Amtrak announced record ridership numbers for the past fiscal year—a trend we saw in Montana as well. Given the high fuel prices folks are facing these days, preserving alternate forms of transportation is even more critical.

Amtrak continues to have widespread support throughout the country, and Congress needs to ensure that Amtrak remains a part of our Nation's infrastructure. Part of Congress's duty is to make sure that Amtrak is responsible with the Federal dollars it receives.

This legislation provides important reforms for Amtrak, including audits on amenities like food and beverage service, and sleeper cars. On a train like the Empire Builder, those amenities are critical. On other trains, maybe some changes can be made. Each route needs to be evaluated for potential reforms.

Amtrak must work to reduce its reliance on Federal spending and improve performance across the board. This amendment today moves Amtrak in that direction, and I am pleased to be a cosponsor.

I recognize that attaching authorizing language to the budget reconciliation is not the preferred method to move this bill. However, Amtrak needs to be reauthorized, and Congress must do its duty to direct passenger rail reform.

So I hope that the Senate can agree to include this amendment today and take action on the important reforms that Amtrak needs.

Mr. INOUYE. Mr. President, I rise today to speak in support of the Lott-Lautenberg amendment to add S. 1516, the Passenger Rail Investment and Improvement Act of 2005, to the Budget Reconciliation package. The Commerce Committee favorably reported this bill in July of this year, but we have been unable to get floor time for its consideration. As I said during our markup, I believe this is the most comprehensive reauthorization of Amtrak ever attempted by this body and I commend Senators LOTT and LAUTENBERG for their hard work in putting it together.

Amtrak and intercity passenger rail are critical elements of our national transportation system, and it is time for Congress to devote the attention to Amtrak and passenger rail that we have given to our airports, highways, and other surface transportation modes. Amtrak's critics and supporters alike agree that it is time to reauthorize the corporation so that Amtrak has Congressional guidance on how to proceed with important reform initiatives needed to improve service, grow revenues, and cut costs. With time running out this year, adding our amendment to this reconciliation package is probably the only opportunity for the Senate to vote on this important proposal. Senate passage of S. 1516 will signal our commitment to strengthen and reform Amtrak to the House and the administration, and hopefully, lead to enactment of a reauthorization this year.

Mr. LOTT. We yield the remainder of our time, Mr. President. Good luck, Mr. Chairman. You are going to need it.

The PRESIDING OFFICER. The Senator from New Hampshire has 58 seconds remaining.

Mr. GREGG. I appreciate the Senator from New Jersey and the Senator from Mississippi being so concise and effective in their arguments.

The next amendment will be the McCain amendment beginning at 3:30.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, consistent with the prior discussion we had with the Senator from Oregon, I ask unanimous consent that after the time has expired for this bill, which occurs at 6 o'clock, the Senator from Oregon have 45 minutes as in morning business without the right to offer an amendment.

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

The Senator from Arizona.

AMENDMENT NO. 2370

(Purpose: To move forward the date on which the transition to digital television is to occur)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. SUNUNU, and Mr. ROCKEFELLER, proposes an amendment numbered 2370.

On page 91, line 6, strike ''April 7, 2009'' and insert ''April 7, 2008''.

Mr. MCCAIN. Mr. President, the amendment would do one very simple thing: It would move the DTV transition date forward by 1 year, making the completion date April 7, 2008, rather than April 2009. This would accomplish the crucial goal of providing first responders with critically needed spectrum one year sooner than is required in the reconciliation bill. This amendment, if adopted, could provide a greater benefit to the American public than perhaps any other provision in this bill.

We know that first responders' ability to communicate during times of tragedy can be literally a matter of life and death for them and the victims of natural and manmade catastrophes. This is a lesson that has been presented to us over and over again, well before Katrina and even several years after 9/11. Yet to this date, we have not made a commitment to allocate the needed spectrum as soon as possible.

Almost 10 years ago, a coalition of public safety groups issued a report asking Congress and the Federal Communications Commission for additional first responder spectrum. In 1996, Congress promised first responders would be provided with adequate spectrum for communications by December 31, 2006. However, shortly thereafter, Congress effectively reneged on that promise and set a bar for its fulfillment that would be unobtainable for decades. During a hearing held just last year by the Senate Commerce Committee, then-chairman of the FCC, Michael Powell, predicted it could be even ''multiple decades'' before the turnover of spectrum to first responders under existing law. That provision, which required 85 percent of homes to be available for high-definition television, would have effectively prevented the analog spectrum from ever being returned, and that provision was never run through the Commerce Committee that I was chairman of at the time. It was never debated or discussed. It was snuck into a bill by individuals at the request of the National Association of Broadcasters. It could have been no one else. That is a terrible way to do business. Unfortunately, more and more we are doing business by adding little lines into appropriations bills which never see the light of day.

I am sick and tired of it, and the American people are sick and tired of it. We are sick and tired of all the earmarks, and we are sick and tired of the billions of dollars of pork-barrel spending that occurs. We are sick and tired of mortgaging our children's futures.

I am, most of all, sick and tired that the National Association of Broadcasters is able to prevent this transition from taking place at the risk of American lives, our bravest Americans, our first responders.

I will tell you what the Fraternal Order of Police say:

As Hurricane Katrina so clearly demonstrated, the ability to communicate and transmit information can often mean the difference between life and death. Congress should no longer delay public safety access

to this spectrum. Every year we wait is another year too late. We cannot wait any longer for Congress to deliberate over this issue. Therefore, we ask you to support a transition date as close to December 31st, 2006, as possible.

That plea comes from the Congressional Fire Services Institute, the International Association of Arson Investigators, International Association of Firefighters, International Fire Service Training Association, National Fire Protection Association, the National Volunteer Fire Council, the North American Fire Training Directors, and the International Association of Fire Chiefs.

Every day police, fire, and emergency personnel face communications problems due to dangerously congested radio communications systems. We need Congress to pass legislation to complete the transition to digital TV and free the spectrum for public safety use. The lives of first responders and the citizens we serve are at risk.

That is signed by Chief Mary Ann Viverette, president of the International Association of Chiefs of Police.

Here we are, the lineup again, our first responders, the brave men and women who put their lives on the line in defense of the lives of their fellow citizens who have already given their lives, who have performed so magnificently, who want to be able to talk to each other, who want the spectrum freed up. And what do we do here in Congress? We delay it as long as possible. It is disgraceful conduct on our part.

Let me tell you what the NAB says, the National Association of Broadcasters:

On behalf of America's local television broadcasters, I am writing to urge your support for the digital transition provisions included in the Senate reconciliation package. In particular, we are concerned about floor amendments that would harm television VIEWERS by either moving forward the hard date or reducing the revenue allocated to assist consumers in making this transition.

Get it? ''We are concerned about floor amendments that would harm television viewers.'' They are worried about harming television viewers when the heads of the policemen, the firemen, all of the first responders, everybody is worried about saving lives. So we are going to decide, again, whether the National Association of Broadcasters carries the day or whether we take care of those men and women who literally are putting their lives on the line every single day.

I have a quote here from Tom Kean, Chairman of the 9/11 Commission, concerning his frustration and that of the 9/11 Commission, probably one of the most respected persons in America:

What's frustrating is it's the same thing over again. I mean, how many people have to lose their lives? It's lack of communication, our first responders not being able to talk to each other. . . . Basically it's many of the things that, frankly, if some of our recommendations had been passed by the United States Congress, could have been avoided. But on the ground, the people that get there first can't talk to each other because radio communications don't work. They haven't got enough of what's called spectrum. So there is a bill in Congress to provide first responders spectrum. The bill has been sitting in Congress, nothing has been happening and, again, people on the ground—police, fire, medical personnel—couldn't talk to each other. That's outrageous and it's a scandal and I think it costs lives.

I will repeat what Tom Kean, Chairman of the 9/11 Commission says:

That's outrageous and it's a scandal and I think it costs lives.

I would like to have it earlier than 2008. I would prefer to offer an amendment to set a date of 2007, as I did during the Commerce Committee's executive session on this matter. Prior to that session, the Congressional Budget Office expressed concerns about the revenue impact of that earlier 2007 date. By the way, I don't begrudge the Congressional Budget Office for expressing fiscal concerns about perhaps not as much revenue as they can get. But is it revenue we are worried about or people's lives? The amendment failed very badly in the Commerce Committee. However, I am informed that a date of April 2008 would likely generate considerably more revenue than the committee's reconciliation instruction of $4.8 billion, much closer to the level of revenues expected under the April 2009 date than the January 2007 date that I proposed in committee.

As such, this amendment's 2008 date should not raise any potential violation of the budget rules. It is the best option we have at this time.

I have a memorandum from the following organizations in support of establishing a firm DTV transition date as soon as possible to clear the megahertz ban for public safety use nationwide, the 700 megahertz ban: Association of Public-Safety Communication Officials, International; Congressional Fire Services Institute; International Association of Chiefs of Police; International Association of Fire Chiefs; the Major Cities Chiefs Association; Major County Sheriffs' Association; and the National Sheriffs' Association.

Their memorandum is to Members of the U.S. Senate, dated November 2, 2005. Subject: DTV transition.

The Senate Commerce Committee, in addressing DTV transition, has set a hard date of April 7, 2009 by which television broadcasters must vacate the 24MHz of spectrum and the 700MHz band allocated to public safety. We applaud the efforts of the Commerce Committee to address this critical issue. Now, Senator John McCain will introduce an amendment to set the date one year earlier—April 2008.

In 1997, as part of budget reconciliation, Congress set December 31, 2006 as the date for broadcasters to vacate the four television channels allocated to public safety. The above listed organizations have sought ever since to assure that date. Senators are well aware of the urgent need for this spectrum to be made available, nationwide, to public safety and our quest for the earliest transition date possible. Senator MCCAIN's amendment is an improvement in that regard, and it has our support.

Here we are again, as we have been in the past. All of the brave men and women who don't stand to make a penny from this transition. There is no revenue that accrues to the National Association of Chiefs of Police, to the sheriffs, to all of the medical personnel. They are not going to make a dime out of this. What they are going to do is carry out their mission, which is to save lives.

It is their view and that of the 9/11 Commission and, frankly, that of any objective observer that these people are unable to save people's lives because of a lack of ability to communicate with each other, and the National Association of Broadcasters is again flexing its muscles to the point where it can very likely cost people's lives. So I hope for once when we go home and talk about how much we support all these great public servants and what a great job they do—our chiefs of police, our sheriffs, all of the people who guard us every day—maybe the best way we can show our appreciation to them is to approve this amendment and get them the spectrum they need in order to be prepared to save lives in the event of another disaster.

I do not have a lot more to say on this except that I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

At this moment there is not a sufficient second.

At this moment there is not a sufficient second.

Mr. MCCAIN. Then I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MCCAIN. Mr. President, I ask for the yeas and nays on the McCain amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays are ordered.

Mr. MCCAIN. I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Could the Chair alert us as to the time remaining?

The PRESIDING OFFICER. The Senator from Arizona has 6½ minutes. The time in opposition is 21 minutes.

Mr. CONRAD. And who controls the time in opposition?

The PRESIDING OFFICER. The Senator from New Hampshire would control the time in opposition if in fact he is opposed to the amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I would be prepared to set aside the pending

amendment until such time as anyone else wants to come and talk on it or that my time expires so the other Members may proceed with Senate business.

I ask unanimous consent that my amendment be set aside pending the arrival of another Senator who may want to speak on this amendment. In the meantime, other Senators may be recognized.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first I thank the Senator from Arizona for his graciousness and indicate that there are Senators who have expressed an eagerness to speak, and what we have been trying to do on both sides here is fit in Senators as they come to the floor. So this may be a good time to alert Senators there are a few moments here that would be available conceivably until 4:15 if Senators on either side want to come and have a chance to make a comment. Perhaps it is also a good time to alert Senators after this amendment we will go to the Murray amendment on dual eligibles from 4:15 to 5, the Ensign amendment from 5 to 5:30, and the Landrieu amendment from 5:30 to 6.

With that, I yield the floor. I thank the Chair. Again I want to thank the Senator from Arizona.

Mr. ALLARD. Mr. President, I also thank the Senator from Arizona for putting us in a position where the Members can speak. I have not had an opportunity to speak on the bill as a whole, so I would like to take time on that, and if someone shows up in opposition to the amendment, I will yield the floor to them to speak.

Now that the amendment has been laid aside, I rise today to speak on the pending business of the Senate, which is the Deficit Reduction Omnibus Reconciliation Act of 2005, which is an extension of the budget resolution we adopted earlier this year.

I am very pleased that we have a budget and cannot express enough how important it is that Congress craft and follow a fiscal plan every year. I have long advocated for a fiscal plan that includes strict rules for controlling the appetite of big Government and reins in spending. We are beholden to the taxpayer and to future generations of taxpayers. The annual budget process should reflect that responsibility. We must bear that in mind today as we debate this very important piece of legislation before us.

The 2006 budget resolution set forth a reconciliation instruction for savings of $34.7 billion over the 5-year period of the resolution. Congress has not attempted to restrain mandatory spending through reconciliation since 1997. As my colleagues are well aware, mandatory spending represents the portion of the Federal Government that is on autopilot. Annual appropriators in the House and Senate allocate funds accounting for roughly one-third of the Federal Government's expenditures as fully two-thirds of the spending is on cruise control. I am encouraged we are making an attempt to rein in even a modest amount of mandatory spending. This entire process is, indeed, a test of the body's willpower and integrity. Can we manage to make a few hard choices today to protect the interests of our grandchildren?

Since 1974, Congress has passed 19 different reconciliation bills, and 16 of those survived Presidential veto to become law. Since 1990, reconciliation has been used three times to trim mandatory spending. In 1990, mandatory spending was reduced by $100 billion; the 1993 spending reconciliation cut $96 billion; and the 1997 bill, $118 billion over a 5-year period. According to the Congressional Budget Office, the bill before us today will reduce mandatory spending by $39.1 billion from 2006 to 2010 and $108.7 billion from 2006 through 2015. By recent historical standards and contrary to the doom and gloom of several statements made today on this floor, this is a modest reduction, no matter how you slice it.

Once we adopt this reconciliation bill, we will be free to move on to do the two other reconciliation bills allowed under this year's budget resolution. One of those instructions will increase the statutory debt limit, a move I do not take lightly. The other of those reconciliation bills represents an instruction to the Senate Finance Committee to reduce the tax burden by up to $11 billion in fiscal year 2006 and up to $70 billion for the coming 5-year period.

This reconciliation bill will extend a variety of existing tax policies that are very popular among the American public. For a change, I believe the popularity of these tax cuts is reflected in this body and I believe we will find a way to extend these important provisions.

While this is a debate we will have in the near future, I can't help but express my feelings about that tax reconciliation. America's families are relying upon us to extend these new tax policies that have buoyed this economy in recent years. When considering the global war on terrorism, the broad economic impact of Hurricane Katrina, and the current cost of energy in this country, one might expect the economy to be sluggish. Economic data suggests the very opposite. It would be foolish for this body to try to tinker with the policies that have put more dollars in the pockets of America's workers to save, invest, or spend.

Some colleagues may disagree with my assessment and with the desire our citizens have to hold on to more of their earnings. I look forward to taking part in that discussion in the future. And that is a discussion for the future. The resolution we have in the Chamber today is not a tax extension bill. The Senate must discuss and debate the merits of raising the debt limit and of extending the kinds of tax relief that keep this economy humming along in such a healthy way. But that debate will come later. Today we are talking about the first deficit reduction bill since 1997. This is a major effort. It has been 8 years since the Congress attempted to exercise any discretion over mandatory spending. There should be no illusions that this is a defining resolution. We are not just defining this Congress or our careers or the next series of campaign commercials; we are defining the scope of policies that will impact future generations. We must demonstrate that mandatory programs are not destined to grow willy-nilly and without thought for those who have to pay for them.

We have heard a parade of statements these last 2 days that suggests there is simply no way to reduce these programs, that too many people are dependent on these programs for them to undergo any sort of scrutiny. I say to my colleagues we are not only accountable to those who benefit from these programs, but we are accountable to those who work every day in America to pay for these programs. We must be accountable to those who are on the brink of entering the workforce, who will face a greater tax burden if mandatory spending grows unchecked. The modest scope of this legislation suggests to me we can meet the myriad obligations to those drawing on these programs while righting the fiscal ship.

Since 1997, we have made no substantive step to control runaway entitlement spending. This year's budget directed eight different Senate committees to take a stab at it through instructions totalling $34.7 billion in savings. The committees were free to find greater savings, and I am pleased to report that they did, to the tune of more than $39 billion. All eight Senate committees exceeded their instructions. This is no easy task and I commend the leaders of each of these eight committees.

The Agriculture Committee's reduction has been scored by CBO at approximately $3 billion over the next 5 years. The package adopted by the committee leaves unchanged the structure of the farm program created in the last farm bill while achieving some savings in the farm commodity programs. Conservation programs are trimmed without impacting landowners' or farmers' existing contracts in any program. Agricultural research programs and the food stamps program are completely untouched.

The Banking and Housing and Urban Affairs Committee portion of the bill is scored by CBO at a savings of $570 million. This legislation will streamline and simplify the Bank Insurance Fund and the Savings Association Insurance Fund, combining the two entities into the Deposit Insurance Fund. Additional provisions modify the policies of the FDIC to reflect inflation and the growing size of deposits by increasing the retirement fund size the FDIC can insure from $100,000 to $250,000.

Further, the Banking Committee has included provisions dealing with the

Federal Housing Administration's inventory of defaulted mortgages. Today, in an effort to preserve a defaulted property as affordable housing, the FHA may sell the property at below-market rates. The foregone proceeds from these sales may total $10 million a year. This legislation will end FHA's permanent authority to sell such properties at below-market prices and authorize funds to support the rehabilitation of these properties.

The Commerce, Science, and Transportation Committee section of this legislation has been scored at $5.98 billion by CBO. The bulk of these savings are generated by the auction of spectrum recovered from broadcasters currently in the midst of the transition to digital signal broadcasting. This spectrum, a long held and used public resource, will enhance public safety communications and advance the long-awaited transition to DTV, or digital TV. Under this legislation, the FCC will be directed to auction licenses for this spectrum in early 2008 in anticipation of the full conversion to DTV in April of 2009.

CBO scores the Energy and Natural Resources Committee title of this legislation at $2.5 billion, achieved largely through the long-needed opening of the Arctic National Wildlife Refuge Coastal Plain area. Careful development and production of oil and natural gas in ANWR will increase our national security and energy policy and do so with a minimal amount of impact on this remote region of Alaska.

The Secretary of the Interior is directed to implement an environmentally sound and competitive oil and gas leasing program to ensure the fair market value for the resources to be leased. I applaud the Energy Committee for its efforts.

The Environment and Public Works and Judiciary Committees each contribute somewhat more humble yet important titles to this legislation. The EPW portion, which is focused on the reform of the Equity Bonus Program, a part of the overall highway program, carries a CBO score $30 million.

The Judiciary Committee title scores a deficit reduction of $578 million, largely through the recapture and subsequent sale of authorized but unused immigrant visas.

The lion's share of savings in this legislation is contained in the titles belonging to the Health, Education, Labor and Pensions Committee and the Finance Committee. These provisions also include those provisions that are probably most exaggerated or vilified by the opponents of this package.

According to CBO, the Finance Committee reconciles a deficit reduction of $10 billion over 5 years through a variety of complex and important changes under Medicaid and Medicare. These two programs, combined with Social Security, make up the bulk of our mandatory obligations that currently exist on autopilot. Today, mandatory spending accounts for 56 percent of all Federal spending.

On the brink of the baby boomer retirement, that number is expected to grow to more than 62 percent in 10 years unless we can find the courage to do something about it. The path we are walking today is not sustainable.

As I have mentioned, this reconciliation bill attempts to deal with this perfect storm by making minor adjustments to Medicaid and Medicare. CBO estimates that fiscal year 2005 outlays for Medicaid will total $184 billion. CBO's estimate for Medicare in 2005 is $332 billion, for a total between the programs of more than $515 billion—more than half a trillion dollars—for fiscal year 2005. The estimated 5 year cost of these two mandatory programs is more than $3.4 trillion The Finance Commitee's reduction in this legislation is $10 billion.

There is $3.4 trillion in mandatory spending reduced by $10 billion over 5 years. Our fiscal house is on fire, and we are talking about taking a gallon of water out of the river to fight it, and you would think we were drying up the river.

So the Finance Committee title of this deficit reduction bill includes a net savings that some members of this body are exaggerating to mean the end of services as we know them. What very few opponents of this bill are talking about is that in addition to this savings there are some very wise spending initiatives that will serve to make Medicaid and Medicare more responsive to the needs of those who depend on them. As much as the doom and gloom set would like to talk about the deficit reduction we make in this resolution, we must also discuss the improvement and preservation of Medicaid and Medicare.

While achieving significant spending reduction the Finance Committee language also reduces wasteful spending and targets resources to improve Medicaid, achieving savings at both the State and Federal level. These savings will enhance our ability to serve vulnerable populations. The language contained in this bill ensures continuity of coverage for low income children by shoring up funding for States facing shortfalls in the State Children's Health Insurance Program, SCHIP, and expanding enrollment activities. This bill will also expand Medicaid benefits to encourage the parents of severely disabled children to go to work and earn above-poverty wages while maintaining the services needed by their child.

This legislation also cracks down on fraud in Medicaid. This bill closes loopholes in current Medicaid law concerning the transfer of assets to limit circumstances under which persons may intentionally shelter assets in order to qualify for Medicaid.

New requirements are included for States to apply partial month penalties and to accumulate transfers in computing the period of ineligibility. Language in this bill creates useful new tools for existing third party recovery programs by implementing State false claims acts, which at the Federal level is the single most important tool taxpayers have to recover the billions of dollars stolen through fraud each year.

The Medicaid section of this act also includes some prescription drug repayment reforms. This has been a hot topic in recent years, and I am pleased to see us take action. Under this bill, the average manufacturer price, AMP, is redefined to reflect discounts and rebates available to retail pharmacies and then uses that definition for payments to pharmacies and for the calculation of best price. The legislation before us further defines the weighted average manufacturer price, WAMP, as the basis for a new payment system for these drugs and for a new Federal upper limit for multiple source drugs.

These reforms go beyond what was asked of the Finance Committee and reflect a commitment by this Senate to enact sensible reforms to better serve the public. I appreciate the efforts of the chairman and the Finance Committee on this matter.

This legislation also makes a down-payment to respond to the health care needs of low income families affected by Hurricane Katrina by providing $1.8 billion to protect Medicaid benefits in Alabama, Louisiana, and Mississippi. These are among the important provisions that will serve our Medicaid population and the taxpayer in this bill—and these are provisions being ignored by the other side.

Similarly, we see some commonsense initiatives in the Medicare portion of this bill. Of primary interest is the one percent increase in the Medicare Physician Fee Schedule instead of a 4.4 percent cut in 2006.

This is of paramount importance to those individuals on Medicare because it provides incentives for physicians to stay with the system. We are staring down the barrel of a punitive change in the Medicare system in the form of a fee reduction that is corrected in this bill—that is good news for doctors and great news for patients. For Members of this body who represent rural populations, there are some very important provisions, including: an extension of the hold-harmless provisions for small rural hospitals and sole community hospitals from implementation of the hospital outpatient prospective payment system, an extension of the Medicare Dependent Hospital program that provides financial protections to rural hospitals with less than 100 beds that have a greater than 60 percent share of Medicare patients, and an expansion of coverage for preventative benefits under Federal Qualified Health Centers. This is good news.

The Health, Education, Labor and Pensions portion of this bill, which contains a significant savings and deficit reduction, accomplishes a great deal of reform and enhances service similar to the Finance portion. This title contains significant savings and deficit reduction. CBO estimates a savings of $9.8 billion, while priming our

education infrastructure for the challenges of this new century. The Provisional Grant Assistance Program contained within this bill provides approximately $8.2 billion in grant assistance to Pell Grant eligible students studying math, science, technology, engineering and certain foreign languages. This is a very exciting provision that represents that ability of the HELP Committee and this Senate to listen. The rest of the world is gaining ground on America's sophisticated, high technology work force. For decades our technology and innovation has been the envy of the world and this provision seeks to ensure that we will continue to maintain that dynamic edge.

A well-educated work force creates high-wage jobs and expands our horizons in every aspect of our culture. Again, this is a provision opponents of this bill seek to ignore, refusing to believe that there are noble programs among our sensible and necessary deficit reduction provisions.

That is an all too brief summary of some of the provisions the eight committees receiving reconciliation instructions contributed to this legislation. The constant mischaracterization of this bill amazes me. I hope in some small way that I have been able to clarify some of these issues for the public.

Under this bill, spending for low-income students, families, and patients will increase, and by no small margin. Without passage of this bill, more than $17 billion in loans, grants, sensible reforms, and new programs to benefit families, students, and patients disappears. That is money to aid in the education of 5.3 million low-income students.

That is money to make Medicaid eligible 1.1 million low-income and disabled children. That is money for 700,000 low-income children to continue to receive benefits under SCHIP. Not only is this bill not the end of the world, it appears to me it is an enormous reform and expansion of numerous programs.

It is a credit to the authors of this bill that there is still a gross savings to the taxpayer. Ninety percent of that savings for deficit reduction comes from a reduction in Federal programs that either do not impact low-income families or from receipts from the Federal Government's business relationships. The remaining 10 percent in reductions represents a serious restoration of fiscal responsibility in these programs—closing loopholes and preventing the unscrupulous gaming of the Medicaid system.

Before I yield the floor, I feel it is important to remind my colleagues that this bill should be seen not as a landmark victory but as a good start.

If we are to do anything to seriously address the policy and entitlement burdens our children and grandchildren are likely to inherit we must start today and must continue in the future with reforms and sensible reductions in spending.

We are running a deficit of $319 billion. The deficit, while much lower than last year's, still represents our inability as policymakers to make tough decisions. Our failure to address the deficit, in this bill today and in the future, could have catastrophic consequences for this Nation. Every day we allow spending to grow, either through discretionary programs or through the unchecked growth of mandatory programs, increases our national debt. Today that debt stands at about $8 trillion, the debt held by the public accounting for $4.6 trillion. This is a drain on our economy, and it gets worse every day that we do nothing.

I would urge my colleagues to join me in supporting this good start. The Deficit Reduction Omnibus Reconciliation Act of 2005 strikes me as being the least we can do for future generations. In the coming weeks I hope we will continue this discussion. I hope we will take seriously the harm we can do by simply doing nothing.

I thank Chairman GREGG and the members of the Senate Budget Committee for all their hard work on this legislation. The bill before us today represents a tremendous amount of work that began almost a year ago. As I mentioned at the start of my comment, this reconciliation deficit reduction legislation is a part of this year's budget plan, and I think it speaks to the power and importance of having a blueprint for our fiscal course. I look forward to working with the chairman and with my colleagues to ensure that this legislation represents the beginning of new, fiscally responsible, ongoing agenda to address our fiscal responsibilities.

Mr. President, the Senator from New Hampshire wishes to speak in opposition to the McCain amendment. Do I need to call up the amendment?

The PRESIDING OFFICER (Mr. COBURN). The Senator does not. The Senator from New Hampshire.

Mr. SUNUNU. Mr. President, first I ask unanimous consent that the 45 minutes allocated to Senator WYDEN occur after the debate on the Agriculture appropriations conference report this evening.

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

Mr. SUNUNU. Second, Mr. President, I would like to correct the record. I appreciate the Senator from Colorado yielding to me, but I wish to speak in support of the McCain amendment, of which I am a cosponsor. One might imagine Senator MCCAIN would be enormously disappointed if I came down to speak against his amendment.

Mr. ALLARD. Mr. President, will the Senator from New Hampshire yield?

Mr. SUNUNU. By all means.

Mr. ALLARD. There is a certain amount of time in opposition and in support of the amendment. I am not sure that we have it balanced.

Mr. SUNUNU. Any time I use should be taken from time allocated in favor of the amendment, if there is any time remaining.

The PRESIDING OFFICER. Senator MCCAIN still has 5½ minutes under his control.

Mr. ALLARD. How much time do we need for opposition statements? We have until 4:15 p.m. allocated for debate on this amendment.

The PRESIDING OFFICER. The Senator from Colorado is correct. We will proceed until 4:15 p.m. on this amendment. There is 6 minutes in opposition, as we stand at the present time.

Mr. SUNUNU. Mr. President, I ask unanimous consent that I be allocated 3 minutes to speak in favor of the amendment and that the remainder of the time until 4:15 p.m. be reserved for those who wish to speak in opposition to the amendment.

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

The Senator from New Hampshire is recognized for 3 minutes.

Mr. SUNUNU. To speak in favor of the amendment, which I cosponsor.

Mr. President, I rise in support of this amendment which moves the date for returning spectrum that was allocated for the transition to digital television ahead by 1 year. So instead of that spectrum being returned to the Federal Government for use for other purposes in April of 2009, it will be returned in April of 2008.

I think this makes sense for a number of reasons. First, it moves forward this process of transition. We are technologically able to make this transition. Many, if not most, of the facilities across the country are on a timetable to retrofit their equipment so they can broadcast using the digital standards. It would certainly bring revenue to the Federal Government, the American taxpayers sooner because this spectrum that is available for auction could be auctioned earlier and then put into the public domain used for new technologies, new products, for consumer safety, and that would certainly benefit consumers. But it also provides a very real benefit to public safety because moving this timeframe up by 1 year would ultimately make the portion of the spectrum, about 20 percent of the entire spectrum coming back, available for use for public safety sooner. I am sure this is a point that was strongly emphasized by Senator MCCAIN in his remarks.

Those who support or oppose moving up this timetable would probably agree this process has taken much longer than anyone anticipated when it began back in the early 1990s. I don't think it serves the American people well to drag it out any longer. I am sure there may be some concerns about the precise date, but I think once we set a date sooner rather than later, markets will react, the companies that are providing services will react, and public safety will certainly react because goodness knows they can use the additional spectrum to meet the needs of

State, Federal, and local first responders who are dealing with public safety needs every day.

I believe this is a commonsense amendment. I was pleased to support it in committee, and I am pleased to support it on the floor.

I yield back the remainder of my time to those who are prepared to speak in opposition to the amendment.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I rise to speak in opposition to this amendment. This amendment puts what we call a hard date only 2 months after the January 28, 2008, auction required by the bill. That is when the auction will commence. It is too soon to move immediately to a hard date in April. The auction could take weeks to conduct, and even after it ends, there are several months necessary for the FCC to decide to whom to award the final licenses. Without the licenses, new wireless providers cannot build their systems, so a tremendous amount of spectrum would not be in use during this period of time.

Importantly, the auction proceeds will not be available until the final licenses are issued. That would mean consumers would face having their analog TVs shut off before the converter box program could be implemented, as is suggested by our bill. American consumers will have to pay more to watch television if this amendment is adopted because the analog cutoff date Senator MCCAIN's amendment requires is premature.

The General Accounting Office and the Consumers Union estimate there are 20 million U.S. television households that rely upon over-the-air reception for their television signal. Broadcasting systems are ready to convert, but we cannot get this done until we have the converter sets so they can continue to watch their TVs. Their old sets will not respond to the converted signal. Over-the-air reliant households disproportionately represent America's most vulnerable. Low-income senior citizens are disproportionately dependent on over-the-air TV; 43 percent of Latino households rely solely on analog television; and African-American households are 22 percent reliant.

We have picked this date based upon the recommendations of the Congressional Budget Office to maximize the return from the sale of the spectrum. It is money that is necessary.That is why this portion of the bill is here—to raise money.

To the extent the money is not used for consumer boxes, a provision in our bill requires all money not used raised by the spectrum goes to reduce the deficit. It is a major deficit reduction concept. Having the hard date out to 2009 is going to raise more money. We need that additional money to add to the interoperability portions of the reconciliation bill before us.

The April 7 date is simply too close, as I said in the beginning, to the auction date of January 28. There has to be time between the auction date and the hard date to ensure that the communications capability is there, the set-top boxes will be there, and that a portion of the television spectrum reserved for the first responders is going to be the first date available.

Moving this date is not going to make it available sooner because of the time delay that will take place after the auction on January 28. It is just not physically possible to have a hard date that close to the auction date because of the time necessary to compute the value of these offers, to go through the process of accepting the high bids and having the people bring forth the money to assure they are sound. The whole concept of this bill has been to maximize the return.

The House date is December 31, 2008. Ours is April of 2009. We moved it there to get away from the Christmas season, to get away from things such as the Super Bowl. The longer it goes, the longer people will buy new digital-ready televisions and will not have to rely upon the transponders—the set-top boxes, we call them—that will be purchased with this money. Our combination is, if we can get this bill passed this year, we will have Christmas 2006, 2007, and 2008 before we get to the point where we have to buy these set-top boxes. The more sets sold to new purchasers, the less it will cost to buy these boxes.

I do hope the Senate will see the wisdom in what we have done. We are working closely with House Members on this issue. We believe we will reach an accommodation on the time, and it will be a 2009 date.

I urge the Senate not to adopt the McCain amendment because it will destroy the process we are in, a very calculated process of ensuring that the auctions take place, and then following those auctions, there is enough of a period to satisfy the goal of raising the money in order that we may get to the total transition through the set-top boxes, 8911, interoperability, and all the things that follow in the amendment. For those who read our amendment, it is partially amended by the McCain provision.

I don't know if there is anyone else to speak in opposition, but I urge the Senate not to adopt the amendment.

Mr. President, is there any time left?

The PRESIDING OFFICER. There is 2 minutes remaining.

The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, I don't believe there is anybody left to speak on the McCain amendment. I ask unanimous consent that we proceed to the Murray amendment.

Mr. STEVENS. I yield back the remainder of the time.

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

The Senator from Washington.

AMENDMENT NO. 2372

Mrs. MURRAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 2372.

Mrs. MURRAY. 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 as follows:

(Purpose: To provide a 6-month transition period for coverage of prescription drugs under Medicaid for individuals whose drug coverage is to be moved to the Medicare prescription drug program)

On page 188, after line 24, add the following:

SEC. 6037. CONTINUING STATE COVERAGE OF MEDICAID PRESCRIPTION DRUG COVERAGE TO MEDICARE DUAL ELIGIBLE BENEFICIARIES FOR 6 MONTHS.

(a) SIX-MONTH TRANSITION.—

(1) IN GENERAL.—Only with respect to prescriptions filled during the period beginning on January 1, 2006, and ending on June 30, 2006, for, or on behalf of an individual described in paragraph (2), section 1935(d) of the Social Security Act (42 U.S.C. 1396u–5(d)) shall not apply and, notwithstanding any other provision of law, a State (as defined for purposes of title XIX of such Act) shall continue to provide (and receive Federal financial participation for) medical assistance under such title with respect to prescription drugs as if such section 1935(d) had not been enacted.

(2) INDIVIDUAL DESCRIBED.—For purposes of paragraph (1), an individual described in this paragraph is a full-benefit dual eligible individual (as defined in section 1935(c)(6) of such Act (42 U.S.C. 1396u–5(c)(6))—

(A) who, as of January 1, 2006, is not enrolled in a prescription drug plan or an MA–PD plan under part D of title XVIII of the Social Security Act; or

(B) whose access to prescription drugs that were covered under a State Medicaid plan on December 31, 2005, is restricted or unduly burdened as a result of the individual's enrollment in a prescription drug plan or an MA–PD plan under part D of title XVIII of such Act.

(b) APPLICATION.—

(1) MEDICARE AS PRIMARY PAYER.—Nothing in subsection (a) shall be construed as changing or affecting the primary payer status of a prescription drug plan or an MA–PD plan under part D of title XVIII of the Social Security Act with respect to prescription drugs furnished to any full-benefit dual eligible individual (as defined in section 1935(c)(6) of such Act (42 U.S.C. 1396u–5(c)(6)) during the 6-month period described in such subsection.

(2) THIRD PARTY LIABILITY.—Nothing in subsection (a) shall be construed as limiting the authority or responsibility of a State under section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) to seek reimbursement from a prescription drug plan, an MA–PD plan, or any other third party, of the costs incurred by the State in providing prescription drug coverage described in such subsection.

Mrs. MURRAY. Mr. President, I ask unanimous consent to add Senators ROCKEFELLER, BINGAMAN, KENNEDY, CLINTON, and LAUTENBERG as cosponsors of this amendment.

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

Mrs. MURRAY. Mr. President, I have some serious concerns about the budget that is now before us.

To make our country strong again, we need to invest at home. What I see in this budget is a $35 billion cut from America's priorities, and I see that it will burden our children with a massive debt.

I am especially concerned this afternoon about what this bill will do to our most vulnerable in this budget and in the new Medicare prescription drug plan that is going to be implemented very soon.

This budget cuts $27 billion from Medicaid. That is a health care program, and it is a safety net for our country's most vulnerable and sickest. I think that cutting their health care is the wrong thing to do.

As I look ahead to this new Medicare prescription drug law, I see a time bomb that is ticking for more than 6 million Americans. A time bomb is ticking for our communities and for our health care providers. That fuse is set to detonate on January 1, 2006, in a few short months. We cannot stand by and let low-income seniors and the disabled lose their drug coverage. We cannot leave doctors, hospitals, and nursing homes unprepared for the biggest change in decades, and we cannot push hundreds of thousands of people who need care on to our local communities.

We cannot wait. We need to fix this problem today. That is why I am offering this amendment. I have been working with Senators ROCKEFELLER, BINGAMAN, and NELSON to address this immediate crisis, and I want to thank them for their leadership.

I have also introduced my own bill to protect our most vulnerable. It is called the Medicare HEALS Act, S. 1822. I have been traveling around my home State of Washington this past month and meeting with people in Seattle, in Lakewood, Yakima, out in Aberdeen, and Olympia. Everywhere I have gone they have been angry, confused, and very worried and with good reason. Here are some of the concerns I heard. One senior told me:

> Everyone I have talked to is totally confused—my doctor, my pharmacist, even the Medicare number you are supposed to call.

Another said:

> If we can't understand this, this whole plan is going to fail.

Everywhere I went, people were confused. There were questions I could not answer. When I turned to the doctors sitting next to me, they did not know the answer and neither did the pharmacists or the patient advocates that were there with us.

If Senators, doctors, and experts do not understand this bill, how can we expect an 80-year-old person with serious medical problems to understand this complicated new Medicare prescription drug plan? We cannot. So I believe we need more time and more resources to make this work.

One person I met with said:

> Please give us more time, give us the chance to understand this so we don't make a mistake when we sign up.

One panelist said to me:

> Taking something away from those that need it the most . . . is not the American way.

I could not agree more, and that is why today I am offering this amendment on this budget bill.

I have a lot of concerns with the Medicare prescription drug law. I was one of those who voted against it in 2003 because I think seniors deserve better, and I think America can do better for our seniors. I am very concerned about the complexity. I am concerned about the coverage gap, and I am concerned about whether needed drugs will actually be covered. I am concerned about the retirees who are losing the good coverage they have today, and I am concerned about the late enrollment penalty that is going to punish seniors who need more time to pick the right plan for themselves.

I am working with many other Senators to address those specific concerns. Today, the most urgent problem is the way that this new Medicare prescription drug law treats our most vulnerable: People with low incomes, the disabled, and those who face serious medical challenges such as AIDS.

This Medicare prescription drug law takes away the critical drug coverage that these people have today and puts them into this new program that could charge them more money in exchange for less drug coverage. If they do not sign up for a plan, they are going to be randomly assigned one. Either way, the prescriptions they need may not be covered. Because these are Americans who are living on the financial brink, an interruption of their drug coverage or a new copayment could keep them from getting the drugs they need to live. These people who are being affected do not know this is even going to happen to them. Their doctors and their pharmacists do not understand it and this entire mess is going to burst into the open on January 1, a few short weeks away.

This Senate needs to take action now so we can prevent this catastrophe, which is just a few months away. To understand this problem, let us look at how our most vulnerable are getting their prescription drugs today and how that is about to change.

Today, about 6.4 million Americans with low incomes get help from two programs: Medicare at the Federal level and Medicaid at the State level. These individuals are what we call in Washington, DC, dual eligible because they are eligible for assistance from both Medicaid and Medicare.

What Medicare does not cover, States cover. For example, since the Federal program did not cover prescription drugs, the State programs filled that gap. This State coverage is often called wraparound coverage, and it is very critical for these vulnerable families. As a result, these individuals got the drugs they need, often without copayments or deductibles.

Now there is a big problem coming on January 1. The new prescription drug bill will prohibit States from providing this extra help these people need. Instead, what it does is take these people and move them into this new Medicare Program alone, which will require of them higher out-of-pocket payments and will probably cover fewer drugs.

To me, it does not make sense to take away the good coverage these vulnerable families have today, force them into a program that might not meet their needs, charge them more money in the process and then prohibit our States from helping out these most vulnerable residents. It does not make sense, but that is exactly what this new drug program will do, unless we fix it before January 1.

In fact, the new Medicare prescription drug program changes the coverage for our most vulnerable families in five ways: First, it is going to impose higher costs, higher premiums, copayments, and deductibles. These are our low-income families. They do not have the extra dollars.

Secondly, it is going to cover fewer drugs. Those drugs that they rely on right now for their health care, their mental health, may not be covered in the plan they are randomly assigned to.

Third, it blocks our States from providing extra help as they do today, and our States are the end here. They are the ones who are going to see the fallout if these people do not get the prescriptions they need.

Fourth, it provides no transition period to make sure that these low-income residents do not face gaps in their coverage.

Finally, it penalizes people who simply need more time to understand and pick the right plan for them. These are real people that we are talking about. I am going to introduce two of them.

Earlier this month in Seattle, I met a woman named Kathryn Cole. She is 36 years old. She is disabled, and she is living on Social Security disability. She fills about 15 prescriptions every month. Her monthly income is $757. That is what she lives on. Well, she told me: Even if this copay were only $5, that adds up to $75 a month out of her $757. She said:

> I don't have that kind of extra money to squeeze out of my budget.

Kathryn looked at me and she said, which week am I not supposed to eat?

People like Kathryn across this country today are living on the financial edge. They cannot afford to pay more for their medication. That is what America is about, making sure that the least among us are able to succeed in this country. Kathryn is one of those people.

In Olympia, in my State, I met a man named William Havens. He is 50 years old, and he is living with HIV/AIDS. He takes 43 pills a day. William told me:

> For the first time I realize I'm going to have to make a choice between pills and food.

It is outrageous that this Medicare prescription drug law is going to make

life so much harder for these people that I have met, such as Kathryn and William.

In addition to hurting these people, this new drug program, if enacted the way it is right now, is going to hurt our health care system. It is going to have a costly impact on our nursing homes, our doctors, our pharmacists, and our hospitals.

Many of these dual-eligible individuals live in nursing homes. Nursing homes are going to have to navigate through all of these new plans. In my home State of Washington, there are at least 14 of these new plans that the dual eligibles are going to be assigned. Each one of these plans has different costs and different formularies. Nursing home managers are going to have to see which plan their patient has and if the needed drugs are covered.

In Olympia, I met with a doctor named David Fairbrook. He is in private practice, and he is also the medical director at two of these skilled nursing facilities. He cares for about 150 patients. He is very concerned about his patients being randomly assigned to plans that do not meet their medical needs. He said patients may be denied needed drugs. They could be forced to change their medications, and they could very well face a time-consuming, stressful appeals process.

Dr. Fairbrook predicted to me that there is going to be chaos for nursing staff regarding coordination of multiple suppliers, further duplicating their paperwork and documentation requirements. Chaos, he called it. There is a tremendous new administrative burden for understaffed and underfunded nursing homes and care providers.

In addition, unless we act, this new program is going to make the work of our pharmacists across the country a lot harder. Pharmacists, as we all know, are literally going to be on the front lines. They are going to be forced to deny coverage to these patients. CMS is telling us that pharmacists will be able to look up and see what plan someone has randomly been assigned to so when one of these patients comes into their pharmacy and says, I do not know who is covering me now, they are supposed to be able to look it up and tell them.

Frankly, given all the errors and mistakes that CMS has made so far, I do not have a lot of confidence that this is going to be a flawless transition. Remember, these people whom we are talking about do not have a financial cushion. So if they go into the pharmacy and all of a sudden they find out, much to their surprise, that they have to have a copay of $5 per prescription or more, they are living on fixed incomes, they do not have an extra $20 or $30 to say, fine, okay, I will pay this. They will turn away from the pharmacy counter, and they are not going to have the funds to pay for their drugs now and get reimbursed later when some kind of paperwork system gets sorted out. So we are going to see a huge impact at our pharmacies, and we are already hearing about it from them.

Doctors are going to be on the front line. Doctors are going to have to know which drugs are on the formulary, and they may need to help their patients appeal any denials. I remind my colleagues, most of the plans out there right now do not have a formulary. So people who are looking at this and making conscious decisions about which prescription drug plan they are going to sign up for cannot make a reasoned decision yet because they do not even know which plans cover what drugs. So doctors are telling us that they are going to have a real challenge as they try to help their patients work their way through these plans to make sure that their plan covers the prescriptions that are actually given to them.

One doctor I met with told me if doctors do not have the information they need on this yet, if their patients pick the wrong plan and their medicine is not covered, it can have serious medical harm.

Hospitals are also going to be impacted by this. They are going to have to navigate all of these new plans that are being offered. They are going to have to deal with patients who have not been able to get their prescriptions. In fact, for many of these poor families, the only place to get needed medicine is going to be the emergency room, and that is going to increase the cost of health care for all of us.

So this new drug law is going to impose an expensive and confusing administrative burden on doctors, on pharmacists, on hospitals, and on nursing homes. I think we can do a lot better than this. My amendment simply says let us fix this problem before people realize that they cannot get the prescriptions that they need.

The Murray-Rockefeller-Bingaman amendment simply provides a 6-month transition for low-income, dual-eligible beneficiaries. It does not delay the implementation of the Medicare Part D Program. It simply gives States, CMS, and the Social Security Administration 6 more months to ensure that all of those who currently have access to prescription drugs through Medicaid or who are eligible for Medicaid assistance are not lost in this transition.

Surely we can at least do that for these people.

According to CBO, this amendment could cost $130 million over 5 years. I say that is a very small price to pay when we are talking about the lives of 6.4 million Americans. In this budget, we are being asked to cut $27 billion from health care for the poor. I think it is worth spending less than 1 percent of that amount to make sure our most vulnerable do not lose their drug coverage in this transition.

Today we got another example of how easily our most vulnerable can fall through these cracks. Just today, CMS announced it is going to be sending a mailing to 86,169 dual eligibles in my home State of Washington. But according to the numbers I got from my State, there are actually 95,000 of these dual-eligible patients. So somehow 8,831 vulnerable people are not being counted. They are not going to get a letter. They are not going to get signed up for a plan. They are going to get lost in this transition, and on January 31 they will have no drug coverage. That is exactly why I am offering this amendment and telling my colleagues that we need to have a transition period to allow this to work.

I urge my colleagues to support this amendment and give our most vulnerable a few extra months to make sure they do not get lost in this transition.

This is a life-or-death issue for many people. We cannot rip away the last remaining safety net for these people. We owe them at least this one very small fix. Time is running out. On January 1, millions of vulnerable Americans are going to be forced into a new system they do not understand and that does not meet their needs. I believe we can avoid this train wreck. People's lives are hanging in the balance, and I urge my colleagues to at least allow these people who are dual eligible a transition period so they are not lost as this plan is implemented.

I retain the remainder of my time.

Mr. ALLARD. I yield 10 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 10 minutes.

Mr. HATCH. Mr. President, 98 percent of all drugs are covered by the Medicare Modernization Act. And HIV/AIDS drugs are covered. So I am having trouble understanding the need for this amendment. It makes no sense for dual eligibles to have coverage for prescription drugs in both the Medicare and Medicaid Programs.

I have listened to the arguments the proponents of the amendment have used, primarily that the new Medicare prescription drug benefit will be very confusing to those beneficiaries who are used to having their coverage through the Medicaid Program. I personally believe providing coverage through both programs will make it much more confusing for beneficiaries. Instead of helping these vulnerable seniors, I believe the Murray amendment would confuse them and not provide the help they need with their drug coverage.

CMS is there. They will help. They know what to do. They are there for these people. We have provided they would be there.

In addition, I don't understand why these beneficiaries would need a Federal match for Medicaid coverage because they cannot navigate the exceptions process or the transition process. If an individual has problems with his or her drug coverage, there will be help available to them through CMS, congressional offices, State government

agencies, and community organizations such as the AARP that is so strongly behind this bill. There is no need for duplicative drug coverage.

I might add, if I am not mistaken, I think the distinguished Senator from Washington supported the Rockefeller amendment to the Medicare prescription drug bill that we fought so strongly over, that is now law. This particular amendment would have had the duals' drugs covered by Medicare, not Medicaid—this was included in the Medicare Modernization Act of 2003. I don't know what brought about the change of mind.

CMS recognizes the transition from Medicaid drug coverage to Medicare is enormous and has been diligently working to ensure the process for beneficiaries is as quick and efficient as possible. Protections are in place to ensure that no full-benefit dual-eligible beneficiary will go without coverage when the new Medicare prescription drug benefit starts on January 1, 2006. All Part D plans that CMS approves must meet strict Medicare regulations and standards guaranteeing that Medicare beneficiaries receive drug coverage that best fits their needs.

Part D plans are required to have a coverage determination process which includes an exceptions process and appeals processes that provide enrollees with opportunities to challenge the exclusion of a particular drug from a plan's formulary. Each plan must have a procedure for making timely coverage determinations on standard and expedited requests made by enrollees. Plans must also make their determinations as expeditiously as an enrollee's health care condition requires, but no later than 24 hours for expedited decisions involving enrollees who will suffer from serious health conditions, and 72 hours for standard decisions.

These formulary and appeal procedures are in place to ensure that there are no instances where a beneficiary is in need of a drug and cannot get it.

To address the needs of individuals who are stabilized on certain drug regimens, Part D plans are required to establish an appropriate transition process for new enrollees who are transitioning to Part D from other prescription drug coverage and whose current drug therapies may not be included in their Part D plan's formulary. Additionally, this amendment presents an unfair situation for States who have already agreed to pay ''clawback'' payments to the Federal Government. By mandating that State Medicaid Programs also pay for drugs, we would essentially increase the financial burden on the States.

I hope our colleagues will not vote for this amendment. In all honesty, when we talk about the issue of choosing between food and drugs, the Medicare Modernization Act provides a substantial subsidy for low-income seniors for their drug coverage. These seniors will not have to choose between food and drugs, basically because their drugs will be covered. They will not have to choose, as has been stated here, between having enough food to eat and drugs. That is one of the things we tried to take care of when we did the Medicare Modernization Act. Saying that you have to choose between food and drugs is not only wrong, it unfairly scares our senior citizens, and it confuses them. As I said at the beginning of my remarks, 98 percent of all drugs are covered, and that includes HIV/AIDS drugs.

In fact, beneficiaries can use the plan finder tool to find plans that cover specific drugs.

I want to clarify one thing. Seniors who are dual eligibles will receive their Medicare drug coverage on January 1, 2006. It is not true they will not be covered. They will be covered, and they will receive their drug coverage. That is what this bill is supposed to do, and that is what it will do.

I hope our colleagues will vote this amendment down because I think it not only confusing to seniors, but frankly, the way the benefit is devised by CMS, beneficiaries should be able to get all the drug coverage they need.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I seek time, but I do not have the authority from the floor manager.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. There is 17 minutes left in opposition to the Murray amendment.

Mr. GRASSLEY. I will yield myself 10 minutes of that.

The PRESIDING OFFICER. Without objection, the Senator from Iowa is recognized for 10 minutes.

Mr. GRASSLEY. Mr. President, first of all, I want to make very clear, regarding some of the concerns that have been expressed in support of this amendment, I thought we took them into consideration 2 years ago—did take them into consideration in their policy. I think now that things are rolling out I am even more confident of what we did. So that would apply also to the issues raised here, whether or not beneficiaries have the ability to make decisions about their care, the type of plan they want to be in.

We knew beneficiaries would need to have good resources to learn about the benefits. We have, for instance, a State Health Insurance Information Program that has counselors who can provide one-on-one counseling. CMS has developed a network of community-based organizations to do the same thing. AARP is holding meetings—all over the country, I believe, but I see them noticed in our newspapers all the time. It seems like a massive number of meetings that my senior citizen constituents have gone to.

Do I think nobody could fall through the cracks? Perhaps so. But I think they would have to be people who are very isolated. I know CMS is taken through the mail, and presumably everybody has an address that gets mail. We have taken very good care to make sure people are notified through the mail. If there is one place where there might be a problem, that is the extent to which States might not have everybody in their files. But I have even been satisfied that CMS has been working on that problem for a long period of time.

So because we have thought about these things, I rise to oppose the amendment by the distinguished Senator from Washington.

When we worked on the Medicare Modernization Act, which established this drug benefit program, every State Governor wanted beneficiaries who have Medicaid and Medicare coverage, dual eligibles, to get their prescription drugs through Medicare.

Members of both sides supported this approach. They said Medicare has been a universal benefit, available to all beneficiaries since its inception. The Medicare drug benefit should then be no different.

Those who supported covering dual eligibles under the Medicare drug benefit noted that these beneficiaries would have nothing, no prescription drug coverage, if a State chose to end its Medicaid prescription drug benefit, which it could do. As Senator HATCH said, we even considered an amendment, supported by 47 Senators, to make the benefit available to all Medicare beneficiaries, including Medicare beneficiaries with Medicaid coverage.

For those of us who ultimately supported this approach in the final bill, did we think that we could just wave a magic wand to make the transition happen? As I said, we did not think that. Transitions like this are not easy. We knew that. The Centers for Medicare and Medicaid Services, the agency responsible for making this transition happen and administering the program over a long period of time, knew it would be a big task to transition all those folks into Medicare.

That is why the agency started working on a transition plan—with States and advocacy groups—more than a year ago. In May, the agency issued a 44-page strategy for transitioning this group of beneficiaries into the Medicare drug benefit. That strategy lays out in great detail the steps that the agency will take to ensure continuity of coverage for this vulnerable group of beneficiaries.

First and foremost, these beneficiaries will be assigned to a Medicare prescription drug plan with their coverage effective on January 1st. Folks refer to this as auto-enrollment. This process will prevent any gap in coverage for these beneficiaries. The agency worked with States to develop lists of dually eligible beneficiaries. These lists have undergone rigorous scrutiny to ensure their accuracy and completeness.

Letters informing beneficiaries about the upcoming changes went out today. It clearly states that beneficiaries should choose a plan, but if they don't, they will be assigned to the plan listed in the letter.

The agency included some additional information in a question and answer format. The first question is, ''What should I do now?'' Among other things, the answer says that beneficiaries should find out which plans cover the prescriptions they take and the pharmacies they want to use.

I know that folks are concerned that a beneficiary might toss aside their letter—we have all done that with mail. That is why pharmacists will have access to the beneficiaries and their assigned plan. So on January 1st, when a beneficiary goes to a pharmacy, the pharmacist can fill that prescription under that plan.

Now, some people are concerned that a beneficiary will be assigned to a plan that doesn't cover a drug they need, and they won't find out until they go into the pharmacy. In its transition guidance to plans, the agency strongly recommended that plans provide for temporary ''first fill'' of 30 days to provide a transition supply to meet the immediate need of a beneficiary. This is a common practice today.

Any plan that chooses not to do this, had to provide the agency with sufficient detail on how it would ensure that new enrollees stabilized on a drug not on the plan's formulary would continue to have access to the drugs they need. For example, a plan not using the first-fill could have procedures in place to contact enrollees in advance of their initial effective date in order to identify their needs. All of these alternative plans were subject to the agency's approval.

In addition the agency carefully reviewed all of the plans' formularies to ensure that dually eligible beneficiaries would have good access to the drugs they need. Many plans around the nation cover nearly all of the top 100 drugs used by seniors. The agency also required plans to cover all or substantially all drugs in six classes that include drugs most commonly used by seniors.

I also know there is concern that a dually eligible beneficiary might be assigned to a plan that doesn't cover a drug they need or include their pharmacy in its network. That is one reason why the Centers for Medicare and Medicaid Services sent the letters out now. Dually-eligible beneficiaries can still pick whatever plan they want for their coverage on January 1st, but if the don't make an affirmative decision, then they will have coverage through the plan to which they been assigned.

And if that plan doesn't work for them, they can switch plans at any time throughout the year. Any time.

I was among the Senators who voted against the amendment in the Senate, but I obviously agreed to the provisions hammered out in the conference committee.

Now is not the time to change the provisions. Letters have gone out to beneficiaries. Plans have submitted their proposals to the government based on the specifications in the law. Changes now could lead to increased cost for all beneficiaries and Government.

Members argued with great passion as to why this group of beneficiaries should have their drug benefit covered by Medicare. Members of the conference committee worked to make that happen.

The Senate bill was bipartisan and it passed by a vote of 76 to 21. The bill that emerged from conference was bipartisan and passed by a vote of 54 to 44 with the support of 11 Democrats and 1 Independent.

The bill passed because we recognized that if we asked seniors to wait for a perfect bill, that they were going to be left waiting for a long, long time.

The AARP and more than 300 patient advocacy and health care organizations endorsed the final product. The AARP said the final bill ''helps millions of older Americans and their families,'' and is ''an important milestone in the nation's commitment to strengthen and expand health security for its citizens. . . .''

The prescription drug benefit is affordable and universal. It will cover about half the cost of prescriptions for the average beneficiary. Dually-eligible beneficiaries will have almost all their drug costs paid.

After years of hard work on both sides of the aisle, Republicans and Democrats came together to pass the Medicare Modernization Act. Now is not the time to reopen this issue.

The Centers for Medicare and Medicaid Services has worked hard to implement the new program. Any changes at this point will almost certainly delay the drug benefit from implementation.

In thinking about the months of negotiating this package, I can tell you that there is no interest from this Senator to reopen and renegotiate the new Medicare drug benefit now.

The time for delay is over. The new Medicare drug benefit was a bipartisan product, it is law, and it is set to begin for all beneficiaries, who have waited long enough for this important benefit.

I agree that every step needs to be taken to ensure that there is no disruption in coverage for these vulnerable beneficiaries.

I believe those steps are being taken. It is my understanding that a number of folks think that this transition will be too confusing for beneficiaries. In my opinion, having some drugs covered by Medicare and some by Medicaid will be even more so.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time remains?

The PRESIDING OFFICER. Four minutes 30 seconds.

Mrs. MURRAY. Mr. President, I will have more to say on this issue, but I would like to use my remaining time to enter into a colloquy with the Senator from Wyoming.

I ask unanimous consent to set the pending amendment aside.

The PRESIDING OFFICER. Is the time being charged?

Mrs. MURRAY. With time being charged. We can charge it against our side. That is fine.

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

Mrs. MURRAY. Mr. President, I rise today to talk about an issue I have been working on for the past year—ending a runaway subsidy in the student loan program.

I ask unanimous consent that Senators DURBIN and CLINTON be added as cosponsors to amendment No. 2353.

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

Mrs. MURRAY. Mr. President, currently students are enjoying low interest rates on their loans.

That was not always the case. In the 1980s, lenders were promised a rate of return at 9.5 percent on their loans when interest rates were high, but we were trying to keep costs down for students. In 1993, when interest rates were coming down, extra payments to lenders on 9.5 percent loans were supposed to phase out. However, they did not start phasing out and were rapidly increasing until I took action with my colleagues to end this practice.

Last year, I along with my colleagues, including Senators KENNEDY and DURBIN, who support closing this loophole passed the Teacher-Taxpayer Act. The Teacher-Taxpayer Act took aim at some of the most egregious abuse of this runaway subsidy and returned that money to student's pockets. However, while the Teacher-Taxpayer Act took great strides forward on this issue, the Federal government is still paying out $1 billion a year on the 9.5 percent loans. I believe we are far overdue in ending this practice.

I have filed an amendment to fully and permanently end the remaining 9.5 percent subsidy loophole, which according to the Congressional Budget Office will provide a savings of approximately $500 million. I have stated my intent repeatedly to finally close the remaining loophole. The Higher Education Act reauthorization bill moving through the House of Representatives closes this loophole and Education Secretary Spellings have called for the ending this remaining loophole.

Mr. ENZI. Will the Senator yield?

Mrs. MURRAY. Certainly.

Mr. ENZI. I thank my colleague from Washington for her work on higher education and for her passion about this issue in particular. She has been very interested in the higher education bill that we approved in committee, and was among those who supported its unanimous approval. My colleague mentioned the Taxpayer-Teacher Protection Act, which I support and which

the committee acted to make permanent. I would add that the Taxpayer-Teacher Protection Act has reduced holdings of these loans by more than $1.2 billion in only 6 months since its enactment.

While various estimates have been given about savings attached to ending recycling, it would also put an end to an estimated $840 million in student benefits provided by non-profit lenders over the next 5 years. By some estimates, that could mean a net loss of nearly $550 million in student benefits. Because of the efforts among lenders to provide the most competitive benefits, it is likely that the net loss in student benefits would be much greater. It is also important for me to point out that the Senator's amendment does not capture these savings for students, it only ends the practice of recycling, so the net loss in student benefits would likely exceed $1 billion.

I would also note that Federal tax law prohibits non-profit lenders from retaining these subsidies that the Senator has described. I ask my colleague if she agrees with my assessment, that Federal tax law prohibits non-profit lenders from retaining the 9.5 percent subsidy, and that excess funds must be returned to the Treasury, or be used to provide student benefits.

Mrs. MURRAY. I would agree with that assessment, yes.

Mr. ENZI. I thank my colleague for her commitment to continue to work with me on this issue in conference and look forward to reaching a compromise on this issue. I believe it is important that we get this issue right, so we can best serve students.

Mrs. MURRAY. I thank the Senator. We may not fully agree on this issue but I commend my colleague's efforts to develop a bipartisan Higher Education Act reauthorization and the challenges in moving such a bill through the Senate on a reconciliation bill.

I thank my colleague Senator KENNEDY for his leadership on this issue, and I look forward to working with him and the chairman through conference on this issue. I appreciate the chairman's commitment to work with me through that process to make sure my voice is heard and interests are met. I think it is critical that, as we work with the House in conference on this issue and others, that we ensure protection and improvement of student benefits, and that any savings generated on this issue be returned to students. We must also work to advance and protect diversity in the lending market, which leads to the competition that provides for improving student benefits in lending.

I thank my colleague for his commitment to working with me and look forward to working with him and Senator KENNEDY through that process.

Mr. KENNEDY. I am pleased to join my colleagues, Senator MURRAY and Senator ENZI, discussing the important issue of ending the practice of providing lenders a 9.5 percent interest rate on student loans. I thank Senator MURRAY for her leadership on the issue. We have been working together to close this loophole for several years now. As she mentioned, we passed the Taxpayer-Teacher Protection Act last year, and that was a good first step in the right direction.

I would also like to thank Chairman ENZI for his willingness to work with us in extending that important piece of legislation in the context of the reauthorization of higher education and for his commitment to continue to work on the issue as we move to conference on that bill.

As Senator Murray pointed out, the Federal Government will spend $1 billion annually in additional interest on recycled loans through this program unless we end the practice completely. There is no doubt that some of the lenders—particularly the nonprofits—are putting that excess profit to good use, but we need to make sure all of this funding is being used in the best way possible to make college more accessible for the neediest students. The best way to do this is to end the practice of recycling. Currently the taxpayers are spending $2.7 million each day that we allow the recycling of these loans, and too much of that is going to line the pockets of for-profit lenders. Too much of that money is adding to the enormous salaries of CEOs instead of helping low-income students realize their dream of going to college. We need to make a conscious choice to help students and not banks.

I look forward to continuing to work with my colleagues, Chairman ENZI and Senator MURRAY, on this issue as we move into conference with the House.

The PRESIDING OFFICER. Five minutes remain in opposition.

Who yields time?

Mr. GREGG. Mr. President, I suggest that by unanimous consent we begin the process of debating the Ensign amendment and that 5 minutes be added. He is here and ready to speak.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ENSIGN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. ENSIGN. Mr. President, I ask unanimous consent to set aside the pending amendment.

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

AMENDMENT NO. 2368

Mr. ENSIGN. Mr. President, I call up amendment No. 2368 at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. ENSIGN], for himself and Mr. DEMINT, Mr. SMITH, Mr. SUNUNU, and Mr. MCCAIN proposes an amendment numbered 2368.

Mr. ENSIGN. 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 cut $2,000,000,000 from the converter box subsidy program)

On page 94, line 7, strike ''$3,000,000,000'' and insert ''$1,000,000,000''.

Mr. ENSIGN. Mr. President, first, I want to talk about the general part of the Deficit Reduction Act we have before us, and which the Commerce Committee dealt with a major part of. It has to do with the transition to digital television.

It is a confusing issue for a lot of people, the issue of analog television versus digital television. Digital television will bring far superior quality to our television. We hear about high definition. We hear about digital television today. There is a lot of confusion out there.

In 1996, we set out to transition our television sets—actually by the end of this year—over to the digital age, basically the 21st century in television, in which we would have a much higher quality picture for our television.

Because of a lot of reasons—I think a lot of them are political—we aren't to that point. But what we are doing today in this bill is we have all agreed we are going to have a hard date to actually transition to digital television. What is good about it is everybody can start planning. We will know exactly the time we need to transition from the current television signals the broadcasters are using. Actually, many of them are already broadcasting in both digital and analog, but they will know there will be a hard date where they have to get fully geared to broadcast only in digital.

What does this mean for the consumer out there? A lot of people are afraid: Is my television set going to be turned off when this hard date comes into effect? If we do this right, their television will actually work better than it does today. Even their normal analog television will work better when the hard date comes than it actually works today. With the purchase of a little converter box, they will be able to receive that digital signal. Even if they do not have cable television, with their current analog television—which most televisions are today in the United States—they will be able to receive more television channels free without rabbit ears, without the basic cable that they have today. Because of the way technology works today in the digital age, for each one of those stations which they now have, they will get several stations of digital. There will be a lot more programming which they will actually get free over the air. They will not have to pay for it. This is an advantage for people who aren't on

cable or satellite when we go to this hard date.

There are a lot of reasons for wanting to have that hard date. For those who know anything about the Internet, we always hear about high-speed Internet, or broadband access.

The United States is falling further and further behind the rest of the world when it comes to broadband or high-speed Internet access. We used to be 11th in the world a couple years ago when it comes to broadband. Today, we have slipped to 16th in the world. Eleventh was unacceptable for the United States, but 16th makes us less competitive in this highly technological world we are in in this global marketplace. We have to do everything we can to advance the United States getting up to speed to the Internet.

If you live in a rural area, one of the things this bill will do today, thanks to the good work by Senator STEVENS, chairman of the Commerce Committee, one of the good things about having a hard date is that we will be able to free up some spectrum when the broadcasters go off analog. There is valuable spectrum they will go off when they convert to digital. When they go off the spectrum, the spectrum will be auctioned and used for a lot of good uses.

If you live in rural America and you want broadband coming into your home, this spectrum will allow broadband to go throughout the United States with very cheap ways of setting up the infrastructure. Today, it is very expensive to wire, to lay down cables or fiber optics in the ground to rural America. This spectrum is going to make it much more affordable to bring broadband or high-speed Internet access to rural America. That is another one of the huge advantages we have for making a hard date.

First responders need the spectrum that the broadcasters currently occupy as well. It will make the radios work better. It penetrates, for instance, stairwells. On September 11, the first responders' radios did not work as well as they should because they do not have the same kind of spectrum they need to make the radios work better. Getting the broadcasters off this analog spectrum will also make their radios work better.

In the bill, we give $3 billion to convert these analog televisions, these little converter boxes that people will need to get for their televisions to work properly if they do not have cable or if they do not have satellite. Three billion dollars, by many experts I have talked to in looking at the experiences of countries such as Germany that have done similar things, $3 billion is not going to be necessary.

First of all, I don't believe that everyone who has one of these television sets should get a subsidy. We should have that subsidy for low- or low-to-moderate-income families only. For somebody who has a lot of money, why should a middle-income taxpayer have some of their tax dollars going to subsidize somebody who happens to have a bunch of TVs in their house that wants a converter box? The average cost is estimated between $45 and $60 when they are in mass production. I don't think it is unreasonable for somebody of means to buy that on their own. Most people buy a new computer for their home every few years for a lot more money than what this converter box will cost.

It is very reasonable to cut the amount we have from $3 billion down to $1 billion for the subsidy. That is exactly what our amendment does. At this time of runaway Government spending, it is important to look at every place we can to save money.

Our amendment says instead of spending $3 billion on converter boxes to give subsidies to everybody in America, we will only spend $1 billion. Right now, we cannot set the policies in place, but we can set the amount in place. Later on, we can come back with the policies that will reflect the billion. The House of Representatives put in their bill $990 million, right around $1 billion, which is what we reflect. They went through the whole committee process. They did the same thing. It is difficult to get our bill out of committee at the $3 billion level, but it is the responsible thing to do for this Senate, instead of subsidizing those who can afford to buy their own converter boxes, to take $2 billion of that and put it toward offsetting some of the spending in other areas with higher priorities at this time.

I reserve the remainder of my time.

Mr. STEVENS. What is the time situation on this amendment?

The PRESIDING OFFICER. The opposition has 16 minutes 30 seconds; the Senator from Nevada has 8 minutes 24 seconds.

Mr. STEVENS. Mr. President, I will use the time in opposition if I need it, and some others may want to speak.

Our committee worked hard on this bill, our portions of this bill, and the $3 billion associated with the converter box funds was derived from a CBO estimate based upon the problems that exist in the so-called analog world. There are an estimated 73 million analog TV sets not connected to cable or satellite.

Our reconciliation measure ends all analog broadcasts on April 7, 2009. By that date, all televisions that rely on antennas have to be equipped with a digital analog converter box. We call that the set-top box. The cost to the consumers to purchase the box is estimated to be $3 billion. This amendment would cut that to $1 billion. That is not enough to meet the problem of these 73 million analog sets.

I call attention to the Senate that there is a difference between the House approach and the Senate approach. The House would use a voucher system. The House estimates there are fewer sets than our estimate of 73 million.

We believe by using the date—that is also subject to a question on an amendment that has been offered by the Senator from New Hampshire—by using the hard date of April 2009, we estimate we will raise a considerable amount more money than a date closer to the present day. The impact of this far date is we have three periods where television sets are bought in great quantities, and during the Christmas period.

To the extent the analog sets are retired by digital-ready televisions, we will not need money. This $3 billion is up $2 billion. We do not automatically throw in the $3 billion. This merely makes available the estimate of $3 billion and earmarks that.

However, I call attention to the Senate that money not spent is earmarked in this bill to go to deficit reduction. It is not going anywhere else. There are specific items.

There will be some amendments offered. I specifically refer to the amendment on page 94, line 10, that any amounts unexpended, unobligated at the conclusion of the program shall be used for the program described in paragraph 3, which is, in fact, the basic debt reduction system.

There are some other complications here that I have gone into before. One of them is, we ought to be able to take this bill to the House for conference and work out with them the best way to deal with the set-top boxes. One of the great problems is that there currently is a range of estimates, as the Senator has mentioned, from $40 to $60. If it is $60, we do not have enough money. If it is $40, we have a little bit left over, and it will automatically go to debt reduction.

I personally think we have problems in the areas that were devastated by Katrina, Rita, and Wilma. The problem there is the televisions were destroyed altogether. It may well be that the cost in those areas will be substantially more than the costs of the set-top boxes. We have to decide that. Someone has to decide to what extent and where the money is coming from to help those people who are not able to buy their television sets, not able to replace them. Will FEMA do it? Are any other agencies going to do it? We will hear arguments that some of this money should be reserved for that. I, personally, support that. This is a fund that is designed to make sure we stay connected with these people.

One of the real problems about the devastated areas—and having lived in an area that was devastated one time by a monstrous earthquake—it is hard to stay in touch without the local news without television, without connection with the outside world. We should think about earmarking some of this money to go into the devastated areas.

Does the Senator from Montana wish time?

Mr. BURNS. Will the Senator yield?

Mr. STEVENS. I am pleased to yield.

The PRESIDING OFFICER. Eleven minutes 25 seconds remains.

Mr. BURNS. If all of the money is not used for the set-top box and there is money left over, yes, it does go to

debt reduction, but isn't it also earmarked in there for first responders and spectrum? Did we not talk about them? Basically that is why we are trying to free up a lot of the 700-megahertz block of spectrum.

I understood that was the case. The Senator said it all goes to deficit reduction, but I thought some of it was held in reserve for emergency responders?

Mr. STEVENS. The Senator is right. There are a series of items held in reserve: $200,000 for converting low-power television stations and television translators; $1.5 billion for emergency communications, which includes $1 billion for interoperability, $250 million for the national alert system, $50 million for tsunami warning and coastal vulnerability problems; we have $250 million to deal with the Senator's E911. But after that, the provision strictly says if the proceeds of the auction exceed the sums of payments under all of those, that amount has to go to deficit reduction.

Mr. BURNS. I thank the Senator.

Mr. STEVENS. Again, it is an estimate.

I appeal to let us go to conference and work this out. I favor putting as much money as possible into debt reduction, but there are some people who are going to have to have help in these disaster areas beyond the moneys we have already provided in the other systems. That argument will come to the Senate. I intend to support the concept of using a portion that we have earmarked, $250 million, and there is a move for that to become $1 billion. We are not spending the money. We are authorizing expenditures up to this amount. What is not expended for the programs goes to debt reduction. That is very important for the Senator to remember.

If the Senator wishes to comment on my comments, I will yield.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized with 8 minutes 24 seconds remaining.

Mr. ENSIGN. Mr. President, the Senator from Alaska always makes very good and important points.

I emphasize a couple of things. First of all, I ask unanimous consent that this GAO report be printed in the RECORD.

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

Table 1 provides the cost of a subsidy program under the assumption that cable and DBS providers downconvert broadcasters' signals at their facilities in a manner that enables them to continue to transmit those signals to subscribers as they currently transmit broadcasters' signals. In this case, cable or DBS subscribers do not require any new equipment, so only over-the-air households—approximately 21 million American households—would need new equipment. As shown in table 1, there is considerable variation in the cost of the subsidy program depending on the level of a means test and the price of the set-top box.

TABLE 1.—ESTIMATED COST OF SET-TOP BOX SUBSIDY, ASSUMING CABLE AND DBS DOWNCONVERSION, ONLY OVER-THE-AIR HOUSEHOLDS ARE SUBSIDIZED

Assumption about means test	Percent of over-the-air households eligible	Number of households subsidized (in millions)	Cost of subsidy, by estimated cost of set-top box (dollars in millions)	
			$50 set-top box	$100 set-top box
Means test at 200% of poverty level	50	9.3 (7.8–10.7)	$463 ($391–534)	$925 ($782–1,068)
Means test at 300% of poverty level	67	12.5 (10.9–14.1)	626 ($545–707)	1,252 ($1,090–1,415)
No means test	All	20.8 (19.1–22.6)	1,042 ($954–1,130)	2,083 ($1,907–2,259)

Source: GAO.
Notes: Ninety-five percent confidence intervals in parentheses.
Analysis based on the status of television households in 2004.

Mr. ENSIGN. Mr. President, the reason I hold up this report, partly to respond, during the hearings we had on transitioning from the analog spectrum to digital, we had the Germany experience where parts of Germany transitioned, and they had a program to subsidize some people who would need to make their analog sets operate in a digital world. When they had this program in Germany, not nearly as many people participated in it as their government expected to happen.

The GAO report said if there were no means test, it would cost about $1 billion for all of the over-the-air broadcast televisions, one per household for all of those who do not have cable and who do not have satellite television. This is for, on average, about $50 per set-top box.

Now, what I have said, and what I would like to see happen, is that we means test this, that anybody, let's say, who is up to 200 percent of poverty would be the only ones subsidized for a set-top box. If we did that, we could buy every one of those households two set-top boxes for under $1 billion, and we would have enough money left over to administer the program. And that is if 100 percent of the homes participate—100 percent.

Now, I think it is reasonable for us to expect that not 100 percent of the homes are going to participate, but that is even with 100 percent of the low-income homes participating. Even if they do, we will have enough money in the program to buy every household, of 200 percent of poverty or below, two of these set-top boxes to make sure their analog television works when we transition over to the digital age.

So I think it is very reasonable for us to only have $1 billion—which ''only $1 billion'' around here is a low number, I guess, but it is still a lot of money. I think that is plenty of money for us to transition.

Let us not forget that their televisions are going to be working better. It is not like we are just giving them the same service. They are going to get more services. First of all, their TV sets will work better. The picture will be clearer. When you have over-the-air broadcasts today, and you have rabbit ears, it is not a very clear picture. There is a lot of fuzz, and a lot of times it is not great reception.

In the digital age, your television will be much clearer. And for every one of those television stations you currently have, you will also have other stations—weather channels, news channels—broadcasting over the air for free. You will get a lot more services for less money. So I don't think, for anybody making above 200 percent of the poverty level, it is unreasonable for us to ask them to buy their own set-top boxes. That is why I think there will be plenty of money, even at the billion-dollar level, to be able to handle these things and some of the other things that may be needed down in the gulf coast.

But I look forward to working with the chairman of the committee. I always hate to go against him because he is so accommodating on the committee. But this is something we will look forward to working with the chairman on as we move through this process.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, how much time remains in opposition?

The PRESIDING OFFICER. There is 9 minutes 4 seconds.

Mr. STEVENS. Mr. President, I think we ought to make certain that the people are providing service to these analog sets now. The National Association of Broadcasters opposes this amendment. Furthermore, I oppose it for the main reason that we are bringing into this country enormous supplies of what are called digital television sets now, but they are not digital-ready. They are still analog, in effect.

We wanted to put on this bill a provision that said you cannot bring into

this country or manufacture in this country a set, from a certain date—say, 90 days from now—that is not digital-ready.

It cannot operate without a converter box. The difficulty is, consumers are buying thousands and thousands and thousands—into the millions now—of sets, believing they are ready, but they are not ready. They are digital, but they are not digital-ready. They will not operate without a converter chip or converter box. Under the circumstances, we rely on the estimate of 73 million sets.

Now, it isn't an argument: How many converter boxes should there be? Every set that is out there needs a converter box to operate. I am told by my staff, 20 million sets are sold annually, and still more than half of them are analog. There are a few of the very high-priced sets that are digital-ready. Some of these sets are in the bedrooms of the elderly. They are in elderly care centers. Every room has a little set.

Now, who are we to say there are sets out there that don't get converter boxes? That may be determined at a later date by the Congress in a bill we have to bring forward, a new communications bill. But for this estimate now, we have to rely upon the estimate we have, that there are at least 73 million sets out there that need a converter box, once we reach the hard date. So that is where the $3 billion came from.

Again, I thank my friend from Nevada for his kind comments. But we have to operate on the basis of dealing with the worst case in terms of providing money. We have done that. This is the worst case we can face, this $3 billion. So we have authorized up to $3 billion. To the extent it is not used, and not used for 9/11, not used for interoperability, not used for first responders, not used for disaster areas, it will go to debt reduction.

Our committee has raised far more than was requested of us, and that is the problem.

We have the luxury of an estimate that says the spectrum auction will bring in more than $10 billion. That may be conservative. Many of my people tell me, once we reach that hard date, the demand for this spectrum is going to be so large that we cannot even estimate the amount of money that is going to be there. So $3 billion is not out of hand.

I urge my friend from Nevada to realize we are not appropriating the money. We are saying up to $3 billion. I urge the Senator not to change that now. Let us go to the House. Let us work with the best available information. Let us try to get this bill back to the Senate as a conference report before this year ends.

If we do not do it and get that other amendment in there somewhere that limits the future production of analog, or less-than-digital-ready sets, this demand for money is going to go up. All those sets are being bought now. Those new sets need a converter box. They are not digital ready.

So again, I thank my friend. I do not think there is anyone else who wants to speak on this amendment. I am prepared to yield back my time, based upon the Senator's comments.

I yield the floor.

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

The PRESIDING OFFICER. Four minutes.

Mr. ENSIGN. Mr. President, I will take a couple more minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, first of all, I want to explain to everybody how important it is what the chairman of the Commerce Committee has done in getting us a hard date. Less than a year ago, in the Commerce Committee, there was no way we were going to have a hard date. People were talking maybe it would be 3, 4, 5, 6, 7 years from now. Some people said we would never have a hard date to convert from the analog TV over to digital. So the committee chairman deserves a great deal of credit for actually getting us to this time, where we are going to have a hard date.

But the reason I think this is a reasonable amendment—and I would just reemphasize to my chairman—is I believe this program should be means tested, that it should not be for everybody in America, millionaires and the like, to be able to get a digital converter box. If they do not have cable in their homes, it is because they choose not to. So they should be able to buy their own converter boxes.

As I talked about this GAO study I have, if we limit it to people who are at 200 percent of poverty and below, we can buy every one of those households two converter boxes for less than $1 billion. If we do not cut the money down from $3 billion to $1 billion, I am afraid we will subsidize every income level home in America, and this money will not go for deficit reduction, that we will actually spend up to the $3 billion.

So that is the purpose for offering this amendment. It is to try to guide the policy in the future, not just the money today.

Mr. President, I yield back the remainder of my time.

Mr. INOUYE. Mr. President, I rise in opposition to the amendment by Senator ENSIGN that would reduce the maximum amount authorized for the converter box subsidy program from $3 billion to $1 billion. A similar amendment was considered by the Commerce Committee and was soundly defeated by a vote of 19 to 3.

The consumer converter box subsidy program is an essential part of making sure that those consumers who today rely on over-the-air analog television are able to make a smooth transition to digital television that does not render their existing analog TV sets obsolete.

Without a robust subsidy program, over-the-air households—which are disproportionately minority, elderly and poor—will face a significant burden. Moreover, because the Commerce title transfers any unobligated funds from the converter box subsidy account to the account that will fund interoperable public safety equipment, this amendment would end up hurting first responders in their ability to get new equipment that can use this newly cleared spectrum.

Because of significant uncertainty as to consumer demand and the expected cost of converter boxes, we must leave the fund at $3 billion and err on the side of caution.

For this reason, I must oppose this amendment. I am joined in my opposition to the Ensign amendment by the AARP, Consumer Federation of America, Consumer's Union, U.S. PIRG, National Hispanic Media Coalition, Mexican American Legal Defense and Educational Fund, League of United Latin American Citizens, and the Puerto Rican Defense & Education Fund, among others.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, I believe all time has expired on this amendment. I believe the Senator from Alaska yielded back his time.

The PRESIDING OFFICER. That is correct.

Mr. GREGG. Mr. President, in a few minutes, I think Senator LANDRIEU is going to be over here to offer the final amendment of the day.

AMENDMENT NO. 2392

Pending that, I ask unanimous consent to strike the language on page 41, beginning on line 3 through line 11.

The PRESIDING OFFICER. That is of the bill.

Mr. GREGG. Yes.

This is a unanimous consent request to strike the language.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. No objection.

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

The Amendment (No. 2392) was agreed to as follows:

On page 41 of the bill, strike lines 3 through 11.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, very briefly, we now are going to go to the Landrieu amendment. I understand Senator LANDRIEU is on her way to the floor. She will have from 5:30 to 6 o'clock. At that time, we will be done.

I see Senator LANDRIEU now in the Chamber. We will then be finished with the debate on reconciliation, which means we then go to votes on the

amendments. I want to again alert our colleagues, we have 15 amendments already pending. That is 5 hours of solid voting. We would like to send the message, as clearly as we can, to our colleagues: 15 amendments is probably enough. We do not need to add to the time of the Chamber with additional amendments.

I think we have had a very good, full debate on reconciliation. We hope very much that 5 hours of solid voting will be sufficient.

I thank the Chair and yield the floor.

Mr. President, I ask unanimous consent, if the Senator from Louisiana is ready, that we could begin on her amendment at this point.

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

The Senator from Louisiana is recognized.

AMENDMENT NO. 2366

Ms. LANDRIEU. Mr. President, I ask unanimous consent to call up amendment No. 2366.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 2366.

Ms. LANDRIEU. 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 funds for payments to producing States and coastal political subdivisions under the coastal impact assistance program)

On page 95, line 21, before the period at the end insert the following: '', of which $1,000,000,000 shall be transferred to the Secretary of the Interior to make payments to producing States and coastal political subdivisions under section 31(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a(b))''.

Mr. GREGG. Mr. President, we will support an effort to pass legislation to make the technical change deleted from our bill in a more appropriate vehicle.

Ms. LANDRIEU. Mr. President, thank you very much. I appreciate the leaders providing me with an opportunity to speak, briefly, about this amendment.

There have been very important amendments that have been offered and debated throughout the day. As the managers have expressed, we will be voting probably into the night and tomorrow to try to finish budget reconciliation. But one of the amendments I have brought today to speak about is one of the most important things we are going to need as a foundation for the recovery of the gulf coast.

We have had many discussions about the aftermath of Hurricanes Katrina and Rita—two major hurricanes that have hit the gulf coast. And, of course, Wilma hit Florida recently. And there was the subsequent breaking of a levee system that just devastated a major American city and region—one we are still reeling from, as our local officials, our business leaders, our university presidents, our general community struggles to try to provide a framework for rebuilding. We are in the midst of that great debate.

The reason it is so difficult—as you can imagine from your own experience as a leader, I say to the Presiding Officer—is that when this has never happened before, there is no textbook. The tragedy is of such magnitude and is unprecedented in nature that there is no textbook you can go to, to say: Here is step one, step two, step three, as to how to rebuild south Louisiana, southern Mississippi, parts of Alabama and Texas.

We have had some expedience with hurricanes before. I am not suggesting we have not. But we have not had the experience of a devastation, the kind we are experiencing right now in the New Orleans metropolitan area region—including Saint Bernard Parish, Plaquemines Parish, Saint Tammany Parish, Jefferson Parish, Washington Parish, Tangipahoa Parish—and all along the southern part of Mississippi, and the southwestern part which was hit by Rita.

I am going to be showing some pictures of it in a moment so that my colleagues can continue to see—not just hear, but to see—pictures of the devastation.

So I come to the floor today to offer an amendment for this body to consider that will move some money we have identified in reconciliation to our coastal restoration program.

In the last Energy bill, by a bipartisan vote of the House and the Senate, with the support of the administration, we were able to secure a downpayment, if you will, on a new coastal plan that will help not just Louisiana, but the producing States that generate so much money for the general fund through oil and gas production off of our shores.

It was a significant step in the right direction. It happened a few weeks before Katrina and Rita hit, and it gave a spark of hope to people in our part of the country that Congress was listening and understood that the Federal Government had to provide not just mandates, not just plans, not just studies, but real money to help us secure better coastal protection. I only wish we had done this 20 years ago because maybe we could have prevented some of the damage from Katrina, but we didn't. And we can talk about why we didn't and what the consequences are, but it is more productive to talk about what we can do now.

As we debate how to prioritize our money through reconciliation—some for increased investments, some for tax cuts, some for deficit reduction—I wanted to come to the floor to offer an amendment that would provide an additional billion dollars for coastal restoration.

In Louisiana, we are the hub of the oil and gas industry, along with Texas and Mississippi. This is a picture of one of the major pipelines that comes off of our shore through the marshland. I am not sure if this pipeline is oil or gas, but it is one or the other because they have to be in separate pipelines. They are laid down through our marsh. These are the lifelines, if you will, to light up the country, whether it is Chicago or New York or California. The price of gas is extremely high. The price at the gas pump is high. We don't have enough of these pipelines in the country, and we are not conserving enough. We are working on both—increasing production and conserving more. But right now, this pipeline exists.

As you can see, when the hurricane struck, the levee systems of this pipeline were broken and water started moving and gushing into this marsh. Saltwater comes in and the marsh starts fading away. It is basically eaten up by saltwater coming in. We need to be constantly vigilant about maintaining proper levee systems. Some of this work has to be done by the private companies that laid down the pipelines, but the Federal Government has a great role to play in investing wisely and strategically to help keep this marsh healthy. It protects the city of New Orleans and, most importantly, it protects the whole region and, most importantly, it protects the mouth of the Mississippi which serves as such a trading hub for the Nation.

This is another picture that shows the devastation of the wetlands loss that was in National Geographic. It is particularly moving. This is a man who is holding up a picture of a camp that his grandparents—right off of Empire, LA—used to have when he was a child. This is probably 40 to 45 years ago, maybe a little bit longer. It is small, but you can see the healthy marsh that once existed behind this home.

This is what it looks like now. You can't see marsh for miles and miles. It has been eaten up. We have been here now year after year saying: Every investment that we can make, we can restore this marsh. We can't restore every acre we have lost, but we know that our scientists and our engineers can restore a lot of this marshland. The marshland serves—south of Louisiana, south of New Orleans, and in the southern part of our State—as a great protective barrier. It protects not just people and businesses, but the energy infrastructure, the pipes, the refineries that exist to help our Nation continue to grow.

Investments of this nature are quite important.

Without a continuing affirmation from this Congress that we understand investments in coastal protection are important and we are giving real money to it, I am afraid anything we do will be for naught to rebuild the New Orleans region. Because people have told me—poor, middle income,

and wealthy, business people and workers—Senator, I cannot bring my family back. I won't bring my family back. I can't build my business back unless I have some security or sense that the administration and this Congress are going to help us build a levee system so we don't wash away again.

Think about that. Why would someone who lost their home or their business, even if they received an insurance check—which some people have, not all people, and we are working on that—even if they received a $250,000 insurance check to rebuild their building, why would they, if they think this is what their house or their neighborhood might look like? This is a little dramatic because, of course, this is not what New Orleans looks like. This is outside of the city, but this is what Plaquemine and St. Bernard look like. Why would someone take an insurance check? To be clear, we wouldn't give someone an insurance check to build a house such as this in this area because we are going to build smarter, better, and higher. There will be some places people can't go back and rebuild.

But in the middle of the metropolitan area, in a neighborhood that never flooded before, people have checks. And they are saying: I am afraid to rebuild my house. What if a big rainstorm comes or another hurricane and washes us away.

Anything we can do, whether it is a half a billion, a billion, next year coming back with some more—we are not expecting $20 or $40 billion in one shot. We know that is a lot of money. But we have to get a little bit every year so we can give people hope that this can be done.

Basically, that is what the amendment does. We have had great support from Chairman DOMENICI, from Ranking Member BINGAMAN. We have had good support from Senator STEVENS, an understanding from Senator STEVENS and Senator INOUYE on the Commerce Committee, because they share jurisdiction, although the Energy Committee has jurisdiction over the Outer Continental Shelf. Most certainly, the Commerce Committee understands the importance of coastal because it is under their jurisdiction. That is basically what the amendment does. We will be voting on it tomorrow. I am hopeful we can get good support for the amendment and lay an additional downpayment on top of that money that we did for energy and get that done.

AMENDMENT NO. 2352

I see my colleague Senator KENNEDY here. We wanted to speak for a moment on another amendment that is pending. I yield a minute to Senator KENNEDY to speak on the education amendment of Senator ENZI.

How much time do we have left, please?

The PRESIDING OFFICER. The Senator has 5 minutes 20 seconds.

Ms. LANDRIEU. Shall I yield some time to Senator KENNEDY of that 5 minutes? I am happy to yield about 3 minutes to him.

Mr. KENNEDY. That would be fine.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. If the Chair would let me know when there is 1 minute remaining.

In a bipartisan way, our Health and Education Committee, under the leadership of Senator ENZI, has found some $2.7 billion that can be used for education. Under the Landrieu amendment, $1.1 billion of that will be used to reduce origination fees that help students all over the country. The rest, $1.6 billion, would be used to help the 370,000 children who have been displaced as a result of Hurricane Katrina.

This will be the only opportunity in the Senate to help children who have been displaced from their education. This is the only opportunity for the Senate to take action. On August 29, when that hurricane came through the gulf and flooded Louisiana and caused havoc along the coast, schools were decimated. Hundreds of thousands of children have all been displaced. Schools—public, private, and also church-related—have welcomed these children into their midst, across the Nation. This amendment is one-shot, one-time, temporary assistance to those schools that are accepting displaced children and need support.

There are some who have said: We can't do this because this is a voucher program. I have been opposed to vouchers because we have scarce resources. And if we have scarce education resources, we ought to use them for public schools. We don't have that choice today. There are no public schools. This was an equal opportunity disaster for children, Protestant, Catholic, Jewish, across the gulf. We have one opportunity, only one opportunity, to provide some help, and it is our amendment. We provide all kinds of protections to ensure this aid is temporary and for the schools that opened their doors to displaced students. This is about children. It is simple. These children, these schools, need assistance.

I reject those arguments that say this is a foot in the door. I was around here when we passed Medicare, and they said: This is socialized medicine. That was poppycock then. It is poppycock now.

Let us help those children. Let's say for those children who were impacted by this disaster, let us provide help to the schools that have opened their arms to embrace these children for a limited period of time.

I thank the Senator from Louisiana for sponsoring the amendment with my distinguished colleagues on the Education Committee and myself, and I urge the Senate to approve the amendment.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I thank the Senator from Massachusetts for his strong advocacy and support. Without his leadership and that of Senator ENZI, we would not be where we are today on the Enzi-Kennedy-Alexander-Landrieu amendment.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes.

Ms. LANDRIEU. Mr. President, I reserve that time. There may be opposition. I am hoping not. I would be happy to yield back all the time if the manager wants to move on.

The PRESIDING OFFICER. The Senator may reserve the time.

Who yields time?

The Senator from New Hampshire.

Mr. GREGG. Mr. President, I am sympathetic to the concerns of the Senator from Louisiana relative to the needs of the children who have been affected so significantly by the event. I especially appreciate the fact that Senator KENNEDY has come to the floor and supported essentially a program which will allow the dollars to follow the children versus a program which would be more school centric and, therefore, you could call it a voucher. Whatever you want to call it, I call it good sense to allow these dollars to follow the children. Hopefully, that will be the way the final package is arranged.

The only issue is whether the money comes from the additional savings which came out of the HELP Committee or whether the money comes from the $40 billion which has already been appropriated as a part of the original Katrina supplementals, the additional supplementals that may follow. So where the money comes from is the issue. As the amendment process goes forward tomorrow and we determine whether these dollars are still available and whether it is appropriate to use these dollars or whether we should look toward the supplemental, in any event, the program should be paid for.

At this point, I am going to move on to another subject, unless the Senator wants to respond to my comments with her 2 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I will respond. I thank the Senator for his interest in helping out in this extraordinary circumstance with 370,000 children displaced. I wanted the Senator to know, of course, I have been in and out of the city many times. I spoke to one of my relatives and asked, how is the neighborhood looking?

She said: Mary, it is so strange. There are no children anywhere in the city of any age. You don't see any children.

As Senator KENNEDY said, the reason is because we have no school system. Three-hundred and seventy thousand children have moved to other public and private systems, grateful to anyone who would take them in.

I thank our colleagues for coming together in this bipartisan way—Senator ENZI, Senator KENNEDY, Senator ALEXANDER, Senator DODD—to put together

an amendment that is not a voucher program, not a traditional ''help public schools only.'' It truly is a bipartisan compromise to try to help in an extraordinary situation.

I hope tomorrow, when we have this vote, we will get a positive vote. I thank the Senators for allowing us to offer the coastal amendment. We have a lot of support for this. Again, it will add to the money we already have. We will need more over time, but every little bit at this point helps to give people hope that they can come back to this region, live safely and securely with floods and rainstorms, hurricanes, and other disasters.

I yield back the remainder of my time.

Mr. DODD. Mr. President, I rise in support of the amendment introduced by Senator ENZI. This amendment is designed to do two things: provide additional savings to postsecondary students by lowering origination fees on student loans and provide immediate relief to K–12 students affected by Hurricane Katrina. The K–12 portion of the amendment is based, in part, on the Hurricane Katrina Elementary and Secondary Education Recovery Act introduced by Senators ENZI, KENNEDY, ALEXANDER, and myself just weeks ago. Like the bill, the amendment is designed to provide much needed relief to the children, families and schools devastated and affected by Hurricane Katrina.

Two months ago, hundreds of thousands of children were displaced by Katrina. Schools in the Gulf States were damaged and in many cases, destroyed. But schools in the Gulf States were not the only ones affected.

In response to this unprecedented crisis, schools across the country took Gulf State students in, offering them a safe haven, a place to learn and some sense of normalcy and routine. The willingness of these schools to take students in without hesitation point to the education system as an integral part of our communities. The amendment before us assists these schools and the schools directly impacted in a number of ways.

First, it provides immediate aid to restart school operations in the districts devastated by Katrina. In the wake of the hurricane, the HELP Committee held a hearing on the devastating affects of the storm. At this hearing, the superintendent of Jefferson Parish Schools in Louisiana said that if ''you rebuild the schools, they will come.'' Through these comments, she helped us understand that rebuilding schools will have a major impact on the economic viability of the communities directly impacted by the storm. She reminded us of something that we already knew, that schools are the heart and soul of communities.

The amendment also provides financial assistance for displaced students wherever they are currently enrolled in school. Through these provisions, public and nonpublic schools will receive assistance for specified purposes as long as materials purchased and services provided are secular and neutral in nature and are not used for religious instruction, indoctrination or worship. This provision recognizes that in taking students in, schools around the country may need a little extra support in getting these students the services that they need and the education that they deserve.

Additionally, the amendment also allows the Secretary of Education to delay for up to 1 year the highly qualified provisions within the No Child Left Behind Act for teachers affected by Katrina. This provision recognizes that like students, teachers and paraprofessionals have been displaced and should not be professionally penalized because of this.

Mr. President, collectively these provisions provide temporary, emergency impact aid for displaced students. It is temporary in that it sunsets at the end of the current school year, emergency in that it is necessary because of the extraordinary circumstances that we have been presented with, and impact aid as it is assistance for those schools that have been impacted as thousands of children and their families have left the devastated areas.

Most importantly, by attaching this legislation to reconciliation we are providing students with assistance now. It has already been 2 months since the hurricane devastated the Gulf region. These children cannot and should not have to wait another day for the assistance that we promised in the wake of the storm 2 months ago.

Today, we are reaching out to all students because it makes sense, because it gets kids back on their feet as quickly as possible. As I have said before, we are not changing the generic laws. The level of assistance we are providing to nonpublic schools is being authorized solely because of the unprecedented nature of the crisis, the massive dislocation of students, and the short duration of the assistance. I cannot underscore this enough—The provisions in this bill are a departure from Federal law but they are a temporary departure in light of extraordinary events.

Next school year, in terms of assistance to nonpublic schools, we will go back to the ways things are. For now, we will get students the assistance they need. They deserve as much.

Mr. CONRAD. Mr. President, I ask unanimous consent that the following material be printed in the RECORD.

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

PROVISIONS OF S. 1932 EXTRANEOUS PURSUANT TO THE BYRD RULE

(Prepared by the Senate Budget Committee Democratic Staff)

TITLE I AS REPORTED BY COMMITTEE ON AGRICULTURE

No apparent violations.

TITLE II—AS REPORTED BY BANKING, HOUSING, AND URBAN AFFAIRS COMMITTEE

Provision	Violations	Description of provision
Section 2001	Sec. 313(b)(1)(A)—no chg in OL/revs	Short title.
Section 2002	Sec. 313(b)(1)(A)—no chg in OL/revs	Definitions.
Section 2003	Sec. 313(b)(1)(D)—any change in outlays or revenues is merely incidental.	Merges Banking Insurance Fund (BIF) and Savings Association Insurance Fund (SAIF) into one fund. Merging funds has negligible, if any, budgetary effect.
Section 2004	Sec. 313(b)(1)(D)—any change in outlays or revenues is merely incidental.	Establishes new ''Deposit Insurance Fund'' to replace separate BIF and SAIF. Merging funds has negligible, if any, budgetary effect.
Section 2005	Sec. 313(b)(1)(A)—no chg in OL/revs	Technical and conforming amendments to merging two trust funds.
Section 2006	Sec. 313(b)(1)(A)—no chg in OL/revs	Other technical and conforming amendments to merging two trust funds.
Section 2007	Sec. 313(b)(1)(A)—no chg in OL/revs	Effective date.
Part of Sec. 2014, p. 77 lines 11–25	Sec. 313(b)(1)(A)—no chg in OL/revs	Requirement to report to Congress.
Sec. 2018	Sec. 313(b)(1)(A)—no chg in OL/revs	Studies of potential changes to the Federal Deposit Insurance System.
Sec. 2019	Sec. 313(b)(1)(A)—no chg in OL/revs	Effective date.
Sec. 2025	Sec. 313(b)(1)(A)—no chg in OL/revs	Authorization of appropriations.

TITLE III—AS REPORTED BY COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE

Provision	Violations	Description of provision
Subsections 3005(c)(2)–(5)	Sec. 313(b)(1)(E)—increases deficit in fiscal years 2011 & 2012.	Authorizes spending by the Secretary of Commerce or the Secretary's designee on a number of activities. Spending occurs outside the five-year budget window.
Subsection 3005(d)	Sec. 313(b)(1)(A)—does not produce a change in outlays or revenues.	Directs the Secretary of Commerce to transfer $5 B from the new Digital Transition and Public Safety Fund to Treasury's general fund. Provision does not score and has not net effect on the budget (intragovernmental transfer).
Subsection 3005(f)	Sec. 313(b)(1)(A)—does not produce a change in outlays or revenues.	Directs that excess savings be transferred to Treasury's general fund. Provision does not score and has no net effect on the budget (intragovernmental transfer).

TITLE IV—AS REPORTED BY ENERGY COMMITTEE

Provision	Violation	Description of provision
Title IV	313(b)(1)(D)—merely incidental	Authorizes oil and gas drilling in the Arctic National Wildlife Refuge (ANWR).
Sec. 401(a)(2)	313(b)(1)(D)—merely incidental	Defines ''Secretary.'' The phrase ''acting through the Bureau of Land Management'' transfers authority over ANWR to the Bureau of Land Management from the Fish and Wildlife Service.
Sec. 401(c)(2)	313(b)(1)(D)—merely incidental	Deems ANWR to be compatible with uses of National Wildlife Refuge. Overrides existing framework for determining compatibility.
Sec. 401(c)(3)	313(b)(1)(D)—merely incidental	Overrides requirements of National Environmental Policy Act (NEPA) for pre-lease activities. Deems 1987 impact statement to be sufficient to satisfy NEPA requirements.
Sec. 401(c)(4)	313(b)(1)(D)—merely incidental	Overrides NEPA requirements regarding identification of leasing/nonleasing alternatives.
Sec. 401(c)(5)	313(b)(1)(D)—merely incidental	Expedited judicial review. Must file within 90 days of action being challenged.
Sec. 401(e)	313(b)(1)(D)—merely incidental	Rights of way requirements. Overrides Alaska National Interest Lands Conservation Act's procedures for transportation rights of way within the Alaska refuges.

TITLE V—AS REPORTED BY THE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

Provision	Violation	Description of provision
Sec. 5001(b)	Sec. 313(b)(1)(E)—increases deficit in a year after 2010	Delays effective date of a highway bill provision that allows the State of Alaska to spend its federal-aid highway contract authority without a limit on obligations.

TITLE VI—AS REPORTED BY THE FINANCE COMMITTEE

Provision	Violation	Description of provision
Sec. 6012(b)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires HHS Secretary to develop uniform standards for Long Term Care Partnerships and make recommendations to Congress.
Sec. 6012(c)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires annual report to Congress re: Long term Care Partnerships.
Sec. 6022	Sec. 313(b)(1)(A)—no chg in OL/rev	Limits state Medicaid Agencies' use of contingency fee arrangements with consultants and contractors.
Sec. 6026(c)(3)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires HHS IG annual report to Congress regarding use of appropriated funds.
Sec. 6036(e)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires reports and recommendations.
Portion of Sec. 6055 on p. 230, lines 21–23	Sec. 313(b)(1)(A)—no chg in OL/rev	Reporting requirement.
Sec. 6103(c)(d)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires HHS study and report.
Sec. 6103(d)	Sec. 313(b)(1)(A)—no chg in OL/rev	Establishes rehabilitation advisory council; requires reports/recommendations to Congress.
Portion of Sec. 6110 on p. 284, lines 5–22	Sec. 313(b)(1)(A)—no chg in OL/rev	Authorization of appropriation.
Sec. 6113(d)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires report to Congress to evaluate rural PACE pilot sites.

TITLE VII—AS REPORTED BY HEALTH, LABOR, EDUCATION AND PENSIONS COMMITTEE

Provision	Violation	Description of provision
Sec. 7101(b)	Sec. 313(b)(1)(A)—no chg in OL/rev	Sense of Senate Language.
Part of Sec. 7102, p. 371, line 19—p. 372 line 19	Sec. 313(b)(1)(A)—no chg in OL/rev	Findings and purpose for the National Smart Grant Program.
Part of Sec. 7102, p. 374 lines 6–11	Sec. 313(b)(1)(A)—no chg in OL/rev	Allows schools to provide matching assistance.
Sec. 7107(c)	Sec. 313(b)(1)(A)—no chg in OL/rev	Provides additional loan deferment from repayment for Perkins Loan borrowers serving on active duty during a war or other military operation or national emergency.
Sec. 7109	Sec. 313(b)(1)(A)—no chg in OL/rev	Repeals the single holder rule, which requires borrowers to obtain consolidation loans from current lender if that lender owns all their loans.
Sec. 7122(b)	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires an evaluation of the simplified needs test.
Sec. 7153(d)(3)	Sec. 313(b)(1)(A)—no chg in OL/rev	Waives requirement for return of Perkins Loans that have been disbursed at institutions impacted by Hurricane Katrina.
Sec. 7153(h)	Sec. 313(b)(1)(A)—no chg in OL/rev	Allows Secretary to modify the teacher quality enhancement grants program.
Sec. 7153(i)	Sec. 313(b)(1)(A)—no chg in OL/rev	Provides Secretary waiver authority to modify authorized uses of grant programs including TRIO, GEAR UP, & teacher quality.
Sec. 7153(j)	Sec. 313(b)(1)(A)—no chg in OL/rev	Allows the Secretary to extend or waive certain data reporting deadlines and requirements.
Sec. 7154–7157	Sec. 313(b)(1)(A)—no chg in OL/rev	Allows Sec. to waive HEA provisions/regs; waives statutory requirements; & requires inspector general audit and report.
Sec. 7201(d)(3)	Sec. 313(b)(1)(A)—no chg in OL/rev	Provides that the bill's premiums do not take effect if comprehensive pension reforms achieving same savings are enacted this year.
Sec. 7311	Sec. 313(b)(1)(A)—no chg in OL/rev	Updates the names of the House and Senate authorizing committees.
Sec. 7314	Sec. 313(b)(1)(A)—no chg in OL/rev	Includes provisions dealing with student speech and association rights.
Sec. 7315	Sec. 313(b)(1)(A)—no chg in OL/rev	Extends the National Advisory Committee on Institutional Quality and Integrity.
Sec. 7316	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes higher education drug and alcohol abuse prevention programs.
Sec. 7317	Sec. 313(b)(1)(A)—no chg in OL/rev	Provides authorization of appropriations.
Sec. 7318	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires the Secretary to make public information about the costs of higher education.
Sec. 7319–7320	Sec. 313(b)(1)(A)—no chg in OL/rev	Amends the Performance Based Organization, which administers student aid programs.
Sec. 7331	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes the teacher quality enhancement grants program.
Sec. 7341–7351	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes programs supporting Historically Black Colleges & Universities, Native Hawaiian & Alaskan Institutions, Tribal Colleges & Universities, & professional/grad institutions for minority serving institutions.
Sec. 7362–7370	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes federal student aid grant programs, including TRIO, GEAR UP, SEOGs, LEAP, Byrd scholarships, etc.
Sec. 7386–7389	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires lenders to provide borrower repayment info to credit bureaus & more consumer info.
Sec. 7391–7395	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes federal work-study program.
Sec. 7412–7413	Sec. 313(b)(1)(A)—no chg in OL/rev	Amends terms of Perkins loans. Provides loan cancellation for early childhood educators, instructors at Tribal Colleges or Universiteis, and librarians with master's degrees serving in Title I schools or libraries.
Sec. 7432	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires the Secretary to provide schools with a calendar of regulatory requirements.
Sec. 7437–7439	Sec. 313(b)(1)(A)—no chg in OL/rev	Requires schools to provide students with description of credit transfer policies and makes other transfer policy changes. Requires early assessments to students of financial eligibility.
Sec. 7442–7443	Sec. 313(b)(1)(A)—no chg in OL/rev	Extends experimental sites. Amends provision allowing schools to transfer funds between Perkins loans, Work-study, & SEOG.
Sec. 7445–7448	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes Advisory Committee on Student Financial Assistance. Amends regional meetings and deletes Year 2000 requirements.
Sec. 7451–7453	Sec. 313(b)(1)(A)—no chg in OL/rev	Amends expanded due process procedures of accreditation & online/distance ed courses. Amends provisions re: admin capacity of education institutions. Requires Sec. to give schools info under program review & opportunity to review & respond.
Sec. 7501–7507	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes programs that support Hispanic Serving Institutions.
Sec. 7601–7622	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes international education programs.
Sec. 7701–7716	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes graduate & postsecondary education programs.
Sec. 7801	Sec. 313(b)(1)(A)—no chg in OL/rev	Misc.—Authorizes new programs, including merit-based math & science scholarships; job skills training in high-growth occupations; support for Teach for America; student retention grants; & fellowships for minority math & science scholars. Authorizes study on cost of postsecondary education.
Sec. 7901–7913	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes the Education of the Deaf Act.
Sec. 7921	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes the United States Institute of Peace.
Sec. 7931–7932	Sec. 313(b)(1)(A)—no chg in OL/rev	Repeals HEA programs. Amends Workplace & Community Transition Training for Incarcerated Youth Offenders grant program.
Sec. 7941	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes the Tribally Controlled College or University Assistance Act.
Sec. 7945–7946	Sec. 313(b)(1)(A)—no chg in OL/rev	Reauthorizes the Navajo Community College Act.

TITLE VIII—AS REPORTED BY JUDICIARY COMMITTEE

Provision	Violation	Description of provision
Portion of Section 8001 on p. 812 line 12 through page 814 line 3.	Sec. 313(b)(1)(A)—no chg in OL/rev	Revises application procedure for immigrants already in U.S. who seek to change their immigration status.

Mr. JOHNSON. Mr. President, I rise today to offer my thoughts on the Deficit Reduction Omnibus Reconciliation Act currently pending before the Senate.

On its own, this bill would cut about $39.1 billion from mandatory spending programs over the next 5 years. But it is a mistake to look at this bill on its own because the reconciliation process under which this bill comes to the floor is made up of three parts that when put together will cut funding for critical programs, implement irresponsible tax cuts, and actually increase both the deficit and national debt.

Today we are considering the first part of the reconciliation process, a package of spending cuts. As a member of the Budget Committee, I opposed this bill in committee and will oppose it when the full Senate votes on it later this week. While I am pleased the bill contains provisions related to FDIC reform that I have fought for, overall this bill simply takes us in the wrong direction.

I believe, in the interest of providing more tax cuts for wealthy Americans, the leadership in the Senate is cutting funding for programs, many of which are critical in my home State of South Dakota. For example, the bill includes $4.57 billion in cuts to Medicaid that are the result of changes in the way pharmacies are reimbursed, something that may harm community pharmacies in my State.

There are new restrictions placed on State Medicaid targeted case management programs, which have created much concern among consumer advocacy groups. Also included is a provision that reduces payments to long-term care providers for unpaid beneficiary payments or ''bad debt,'' a provision that is being opposed by leading nursing home and consumer groups.

Further, I am very troubled by the $3 billion in cuts to agricultural programs, including a 2.5 percent across-the-board cut in commodity programs and $1.1 billion in cuts to conservation programs over the next 5 years. This proposal would weaken the essential safety net that we need to foster economic development in rural America and would be especially difficult in this time of weak commodity prices. The 2002 farm bill, our contract with rural America, has already come in at $14 billion under projected costs. Simply put, agriculture has paid enough.

If this Senate proposal were not bad enough, I have little doubt that the package that will be brought back after conference with the House will be worse. The House is considering a proposal to cut at least $50 billion in spending over the next 5 years. The Washington Post notes that the House package will ''cut back Federal aid to State child-support enforcement programs, limit Federal payments to some foster care families, and cut welfare payments to the disabled.''

In addition, the House bill includes $3.7 billion in cuts to farm programs, including $844 million in cuts to food stamps.

Budgets are about priorities, and I understand the need to bring spending under control. But it seems irresponsible to do so at the expense of ordinary people and struggling family farmers when huge agribusinesses continue to reap millions without effective payment caps in place, and tax cuts for multimillionaires are being preserved.

I recently received a thoughtful letter on the budget from Bishop Mark S. Hanson, the presiding bishop of the Evangelical Lutheran Church in America, ELCA, and signed by all 66 ELCA bishops. I am a member of the ELCA, and while I do not take directions on how to vote from my church, my religious faith and the values it instills in me do impact my views. As the letter states, ''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 country faces a series of challenges that Congress is failing to address. Instead of cutting domestic programs to pave the way for additional tax cuts, the Congress should focus on solving the problem of soaring energy costs. High energy prices are a tax on the middle class and drain disposable income, causing the public to spend less and make painful tradeoffs all in order to keep the car or truck filled with gas. The Democrats have a plan to reduce gasoline prices and help families with high winter heating costs. Unfortunately, the congressional leadership is not focusing on the real needs of Americans in choosing to devote an entire week to a package of budget cuts as part of a larger plan to push a tax cuts for the rich agenda.

If this truly was a deficit reduction package, or even if the savings were going to pay the costs of hurricane relief, that would be one thing. However, when this bill is approved, the Senate is expected to begin working on the second piece of the reconciliation process, an irresponsible tax cut bill. The reconciliation instructions approved as a part of last spring's budget resolution provided for an additional $70 billion in tax cuts.

While the tax bill has not been finalized, early indications are this bill will not result in tax breaks for middle and working class Americans, but will once again reward the wealthiest in our society. And when these tax cuts are included, the Republican's deficit reduction omnibus reconciliation plan will actually increase the deficit by $20 billion to $30 billion over the next 5 years. So what many in the majority party in Washington will call trimming the fat actually increases the limit on the national credit card.

This leads to the final piece of the Republicans' reconciliation plan—Congress will be required to pass legislation to raise, yet again, the Federal debt ceiling by $781 billion. It may surprise many Americans to learn that a large portion of our Nation's public debt is actually held by foreign countries like Japan and China. By further increasing our debt and the need for more foreign financing of that debt, we give other countries substantial leverage over our economy and threaten our Nation's economic well-being. Make no mistake, the decisions we are making in enacting this legislation will have long lasting consequences for our economy.

As I said earlier, budgets are about priorities. The budget proposal we have before us simply sets the wrong priorities by cutting programs for the most vulnerable in our society to make way for additional tax cuts for millionaires, all the while increasing the debt burden we will pass on to our children and grandchildren. These are not priorities that I—or the vast majority of Americans—can support.

Mrs. MURRAY. Mr. President, to make our country strong again, we need to invest here at home, and that is why I oppose this budget. It is a bill that will cut $35 billion from America's priorities and burden our children with massive debt. Simply put, I think America can do better.

I will vote against this flawed budget, just as I did in the Budget Committee last week, because it starves our highest priorities. Not only that, this bill opens up the Arctic National Wildlife Refuge to oil drilling, which will not solve our energy problems. And I have serious concerns about a House proposal—which could be added to the House version of this bill—to split the Ninth Circuit into two smaller circuits.

Mr. President, a budget is a statement of priorities. As I look at the challenges facing our country—and as I listen to people in my home State of Washington—it is clear that our top priority now must be making America strong again. To do that, we need to invest here at home.

Today, too many people don't feel secure. They feel like they are one step away from losing their job or their pension or their healthcare. They are worried about high gas prices and how they are going to heat their homes this winter. They are worried about the men and women in uniform, who are returning home and can't find a job or healthcare. They are worried they won't be able to afford college tuition for their children. Many people are worried about the new prescription drug program, which will make life harder for so many vulnerable families.

Today people across America worry about being safe here at home. They look around their communities and see aging and unsafe highways, roads and bridges. After what happened in the Gulf Coast with Hurricane Katrina, they are worried their own communities are not protected. There is a coastline, or a volcano, or a fault line, or an aging dam in every State in this

Nation, and this budget doesn't make the right investments in prevention or protection.

This budget has the wrong priorities. I believe we should be providing greater investments in the tools that spur economic growth and help all Americans—education, health care, transportation, and job training. In short, we should be making Americans more secure. Unfortunately, the package before us today does just the opposite. It cuts $35 billion from areas like healthcare and education.

And what is more, this is only the first step in the reconciliation process. You will not hear much about it from the other side of the aisle, but in the coming weeks, the Senate is scheduled to take up the next piece of the reconciliation process—a massive tax giveaway that's even bigger than the cuts we're considering this week.

So what's happening here today is we're being asked to make painful cuts for average Americans so that in a few weeks we can turn around and give massive giveaways to the most well off. That is what's really going on here.

The massive tax cut package that's coming soon would give billions away to the richest people in our country. Multi-millionaires and special interests will reap the benefits from these budget-busting tax breaks, including capital gains and dividends tax breaks. In fact, the upcoming tax breaks exceed the spending cuts we're considering this week by more than $30 billion.

And who benefits? 53 percent of the benefits of capital gains and dividends go to those with incomes greater than $1 million. Listen to the facts. On average, those who make more than $1 million would get tax cuts of more than $35,000. But those with income under $50,000 would get just $6.

Something is clearly out of whack.

The Senate leadership wants to impose painful cuts on average families today. Why? So that in a few weeks they can give massive tax cuts to the most well off. That is wrong.

Today people are hurting on the Gulf Coast. People are concerned for their safety—be it by terrorist attack or flu epidemic and instead of meeting these important priorities, the Senate will cut spending, give away tax cuts, and increase the amount of debt each American owes.

Taken together, these efforts represent the core values and priorities of the Republican Congress, but not of the American people. America can do better. The bill before us this week cuts important programs while doing almost nothing to address the real priorities facing our nation.

First let me talk about Medicaid—a health care program, a safety net for our country's most vulnerable and sickest. This bill cuts Medicaid spending for those least among us by $27 billion. At the same time, Republican members of this body are refusing to take up and pass bi-partisan Medicaid relief for Americans affected by Hurricane Katrina, they want to slash spending on the program here today.

What about agriculture—programs that make sure we can feed our Nation? This bill also cuts agriculture investments by $3 billion, and that will have a painful impact on our family farmers who are struggling today. Just last week, I sat down with farmers from Washington State, and I can tell you they are reeling from drought and high fuel and fertilizer prices. This bill makes their lives even harder by retracting the support that helps family farms get by and will impact our country's ability to ensure we will be able to feed our Nation and keep our country strong. These farm families need our help, but Republicans just say no.

This bill also undermines the pension plans of millions of hard-working Americans. This is a top anxiety for people everywhere I go. Is my retirement gone? What happened to my security?

This bill will increase the financial burden on companies and drive more employers into bankruptcy and out of the defined benefit pension system. It more than doubles the Pension Benefit Guaranty premiums, and it will index those payments in the future. This budget we are debating today undermines the carefully crafted bipartisan pension reform bill that the HELP Committee bill recently passed unanimously. America's pension policy should be driven by what is best for American workers, retirees and employers—not by the need to meet an arbitrary budget target.

And of course, this budget opens ANWR up to shortsighted drilling. This misguided effort is especially troublesome, and is worth a few minutes of time here on the Senate floor. We are all concerned about the high cost of energy. It's a tremendous burden for families, businesses and farmers. We should use that concern to make wise choices that will actually help our country. Instead, this bill takes shortsighted steps in the wrong direction. The responsible way to address our energy problems is to focus on long term solutions like reducing our need for oil, and investing in clean, renewable energy sources.

I oppose drilling in ANWR because the potential benefits do not outweigh the significant environmental impacts. The Arctic National Wildlife Refuge is an important and unique national treasure. It's the only conservation system in North America that protects a complete spectrum of arctic ecosystems. It's the most biologically productive part of the Arctic Refuge. And it's an important calving ground for a large herd of caribou, which are vital to many Native Alaskans. Energy exploration in ANWR would have a significant impact on this unique ecosystem.

Further, development will not provide the benefits being advertised. Proponents claim that energy exploration has become more environmentally friendly in recent years. While that may be true, there are still significant environmental impacts for this sensitive region. Exploration means a footprint for drilling, permanent roads, gravel pits, water wells, and air strips. We recognize that our economy and lifestyle require significant energy resources, and we are facing some important energy questions. However, opening ANWR to oil and gas drilling is not the answer to our energy needs.

And let's keep in mind that drilling in ANWR will not make us less dependent on foreign oil. As a Nation, the only way to become less dependent on foreign oil is to become less dependent on oil overall. The oil reserves in ANWR are not enough to significantly reduce our dependence on foreign oil.

There are better ways to meet America's energy needs—including boosting fuel efficiency, expanding the use of homegrown renewable and alternative fuels, investing in new technologies like fuel cells, developing and deploying more energy efficient technologies, and improving conservation and energy efficiency. Drilling in ANWR is not a serious answer to our country's serious energy challenges, and it should not be included in this budget bill.

Another reason I am voting against this bill is because it will clearly get much worse in conference—through steeper cuts in critical investments. This budget bill already cuts $35 billion from America's priorities. And on the House side, leaders are working to cut an additional $15 billion from infrastructure, education and healthcare. That would move this bill even further in the wrong direction.

Finally, I am very concerned about a possible attempt in the House—which we may see next week—to split the 9th Circuit.

As a member of the West Coast delegation, I strongly oppose this change. The House proposal is not warranted by the facts and is not supported by the judges on the circuit. Back in 1980, when Congress split the 5th Circuit, all of the judges supported that move. But today, that is not the case. I understand that a majority of judges on the 9th Circuit oppose the split. I've spoken with some of them, and they have said a split could create new problems.

They pointed out that splitting the circuit would impose new costs for facilities, staff and administration. The efficiency we have today would turn to duplication tomorrow if the circuit is divided. There would be significant costs to establish a new circuit headquarters and to create a duplicate administration system. In an era of limited budgets, this makes little sense. As the ranking member on the subcommittee that funds the Judiciary, I know we don't have extra money to spend to duplicate administrative services.

A split would also lead to a duplication of cases. Today, by deciding cases for nine States, the circuit provides

clear, uniform guidance to district courts. That prevents a duplication of cases. If the circuit is divided, issues decided in the new 9th Circuit would have to be decided again in the new 12th Circuit, doubling the use of judicial resources and costing even more money. And in addition to the massive cost associated with splitting the 9th Circuit, the change would split the West Coast Technology Corridor into two different circuits. That could have a paralyzing effect on IT and technology growth since there would be a weaker judicial foundation.

I share my concerns about this because next week there may be an effort in the House of Representatives to attach the judicial provision to the House version of this bill. I want House Members to know that as a member of the affected delegation—and as the ranking member of the subcommittee that funds the Judiciary—I oppose this change.

Mr. President, this budget plan has the wrong priorities and that is why I am voting against it. We need to make America stronger and invest here at home. This budget does just the opposite—cutting key investments in the things that our people need. Why? To have money for tax cuts for the wealthiest. America can do better. I urge my colleagues to reject these flawed priorities and work to invest in that which will make our country and our people strong.

Mr. SMITH. Mr. President, more and more our country's fight against HIV/AIDS is being hindered because we are not focusing enough of our resources on treating individuals who have been diagnosed with HIV so we prevent their illnesses from progressing to full-blown AIDS. This is especially true for those with low-income who may lack stable access to potentially life-saving pharmaceutical treatments and other health care services.

While Medicaid is an important provider of health care to vulnerable Americans living with AIDS, they generally must be disabled before they can qualify for coverage. In a sense, we require them to become sicker before they can get treatment, and that is simply not right.

Full-blown AIDS is an incredibly costly illness and it has much more of an impact on an individual's quality of life than HIV. That is why it is important for us to focus our resources on providing early treatment to individuals with HIV.

Earlier this year, I, along with 27 of my colleagues, filed legislation that would have allowed states the option of providing Medicaid coverage to low-income individuals who have been diagnosed with HIV. The initiative, known as the Early Treatment for HIV Act, or ETHA, was modeled after the successful breast and cervical cancer benefit added to Medicaid program several years ago. My amendment would provide the care in the same ''early is better'' fashion, so that more HIV cases are prevented from reaching the point of full-blown AIDS.

Like the breast and cervical cancer benefit, ETHA would provide States the incentive of an enhanced Federal Medicaid match to extend coverage to those individuals living with HIV—the same rate that is paid to them to operate their S-CHIP programs.

Realizing the tight budget constraints we are currently facing, I have restructured my original ETHA proposal into a 5-year demonstration project that is capped at $450 million. States will apply to the Centers for Medicare and Medicaid Services to offer Medicaid coverage to low-income individuals who have been diagnosed with HIV.

This scaled back version would provide Congress and CMS the opportunity to learn more about the cost-saving benefits of providing treatment to those with HIV in the early stages of their illness. It is expected that in addition to Medicaid, other Federal programs—like SSI and Medicare—will realize significant long-term savings by preventing individuals from being disabled by full-blown AIDS.

Additionally, with more and more states having financial difficulties with their AIDS Drug Assistance Programs—such as North Carolina, Nebraska, Missouri and Minnesota—it is important that we provide alternative methods of delivering treatment to those individuals with HIV/AIDS who may be living in poverty.

Most importantly though, the assistance authorized by this proposal will help individuals with HIV lead healthier, longer lives, so that they can remain active participants in both the community and the workforce and improve their chances of living to one day see a cure for their illness.

As I mentioned, the cost of this amendment is $450 million over 5 years. That amount would be offset with a .8 percent increase in the brand-name prescription drug rebate. I realize that the package already includes an increase in the drug rebate, but the additional request made in this amendment, less than one percent, will have an enormous payoff in the long-run. I don't believe it's too high a price to pay for the benefits that ETHA will provide the Federal and State governments, as well as individuals living with HIV.

Mr. President, I ask my colleagues to support this amendment. I understand that there is concern over keeping the underlying package that was passed by the Finance Committee intact. I assure you that this amendment will not affect the bottom-line savings Chairman GRASSLEY and other members—including myself—worked so hard to achieve in title VI of the Deficit Reduction Act.

In fact, in the long-term, my amendment should increase savings to the Federal Government by providing targeted, effective care to those individuals who genuinely need it, which will help them maintain active, healthy lives. That is a strategy I fully support.

I will be working with the leadership as the debate moves forward today to schedule a vote on this amendment. At the appropriate time, I ask for my colleagues' support on this bill that is not only fiscally responsible, but the right thing to do.

AMENDMENT NO. 2351

Mr. CARPER. The last time I came to the floor to discuss the benefits of reinstating the pay-as-you-go rules, I related to everyone the theory of holes.

As much as I like talking about Dennis Healey, who used to be Great Britain's Chancellor of the Exchequer, I was hoping that I wouldn't have to again remind my Senate colleagues of his wisdom.

The theory of holes is simple. It says, when you find yourself in a hole, stop digging. Not only are we still digging, we also seem to be digging more furiously, taking ourselves to new fiscal depths.

Last year, we dug our way to a $319 billion budget deficit, which is the third worst deficit in the history of our country. That number, by itself, is a clear indicator of our current fiscal misfortunes.

What is more telling is that number—again, a $319 billion deficit—was hailed as good news by some in the current administration. Why? Well, because, at the beginning of the year, everyone expected the deficit to be over $400 billion. An improvement from worse to bad is still bad.

It is no wonder that many Americans think Washington, DC is no longer in touch with reality. Where they live—in towns large and small across Delaware and across America—this kind of fiscal recklessness is not an option. To the contrary, the vast majority of the people we serve strive to live by two simple rules: Live within your means and pay as you go.

In turn, families demand that their State and local governments live by the same rules. We in Congress used to live by those same rules. Unfortunately, they were allowed to expire in 2002.

We have been close to reinstating pay-as-you-go budgeting on two occasions since 2002. A year ago, the Senate voted to reinstate it. Unfortunately, it did not survive conference and was dropped out of the final compromise. Then, earlier this year, we fell one vote short of again passing pay-as-you-go budgeting.

With this amendment, Senator CONRAD is giving us another opportunity to again live within our means and to pay for the things we find worth doing.

Pay-as-you-go budgeting requires that proposals to increase spending would have to be offset, either by cutting other spending or by raising revenue. Likewise, if I were to propose a tax cut, I would have to come up with an offset to make sure the hole we are in was not dug deeper.

Pay-as-you-go budgeting served us well during the 12-year period it was in force. And, it is important to note that during that time it applied to both the spending and tax sides of the ledger. That kind of across-the-board fiscal discipline eventually lead to our eliminating the deficit, establishing budget surpluses and even beginning to pay down a significant portion of the publicly held debt.

That is not a bad record. In fact, it is a good one. And, it looks especially good when compared to our current period of record deficits and a national debt of over $8 trillion.

We cannot continue down the fiscal path we are currently on. A fiscal policy based on cutting taxes, on increasing spending and then on borrowing whatever is needed to make up the difference cannot be sustained.

Moreover, today's borrow-and-spend policies are as immoral as they are unsustainable. We are running up bills that will be left for our children and grandchildren to pay.

However, we still have time to do the right thing. We still have time to begin to put our fiscal house in order. Voting for Senator CONRAD's amendment to reinstate pay-as-you-go budgeting would be a good start to that end.

AMENDMENT NO. 2352

Mr. ENZI. Mr. President, the amendment that I have offered along with several of my colleagues be explained very simply—it commits the education savings above the HELP Committee reconciliation target to students.

As chairman of the Committee on Health, Education, Labor, and Pensions, my committee received the largest reconciliation instruction—$13.65 billion in spending cuts over 5 years. That is nearly 40 percent of the overall target. We exceeded that target and reported legislation with net savings of $16.4 billion over 5 years. That is an additional $2.75 billion beyond HELP's reconciliation target.

This amendment ensures that extra savings generated from education will be returned to students. Let me be clear, education savings should be for students.

The amendment makes higher education more affordable for students by reducing the cost of college by lowering the origination fees students pay on Federal student loans. The current origination fee of 3 percent would be reduced to 2 percent under my amendment. This change of 1 percent can save students at least $500 over the 10-year life of the loan. For independent and graduate students, these savings are even greater.

Why is it important that higher education be more affordable? Because education beyond high school and lifelong learning opportunities are vital to ensuring that America retains its competitive edge in the global economy. Technology, demographics, and diversity have brought far-reaching changes to the U.S. economy and the workplace, including an increased demand for a well-educated and highly skilled workforce. If we continue on the path we are on, we will not have people with the talents and the skills we will need to fill the jobs that will be created over the next few years. In this decade, 40 percent of job growth will be in positions requiring a postsecondary education.

If our students and workers are to have the best chance to succeed in life and employers to remain competitive, we must ensure that everyone has the opportunity to achieve academically and obtain the skills they need to succeed, regardless of their background. For many, acquiring a postsecondary education or training will be the key to their success.

This amendment also provides fiscally responsible temporary aid for more than 300,000 students displaced by Hurricane Katrina. As soon as they could, both public and nonpublic schools in neighboring communities, regions, and States enrolled these students. Many of these displaced students are still enrolled in schools that are not the ones they would have been attending had Hurricane Katrina not struck.

This amendment includes provisions from the Hurricane Katrina Elementary and Secondary Education Recovery Act, 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.

With this amendment we will be providing one-time, temporary, emergency aid on behalf of these students. These displaced students deserve help to continue their education under these extraordinary circumstances caused by a disaster of unprecedented scope. At the same time these States and schools need realistic, fiscally responsible assistance from the Congress to accommodate the students they have taken into their education system, who came to them without any property tax base or tuition payment which had already been made. Our top concern was to make sure that all displaced students continued their education.

Some students are already returning home as their schools reopen, but severe problems of displacement remain. Many schools will remain closed for the entire school year. This amendment is a one-time temporary solution that sets aside ideological differences to make sure that children are not harmed unnecessarily by the impact of this unprecedented disaster. It focuses on the immediate needs of students with the expectation that they will return home to their local school.

Let me briefly describe what this amendment does. First and foremost, it provides support for all displaced students, ensures accountability, and is fiscally responsible by sending the funds through regular channels to local school districts and accounts established on behalf of students attending nonpublic schools.

The amendment helps schools directly impacted by the hurricane reopen their doors by providing $450 billion in grant assistance. These grants are meant to supplement FEMA funding to ensure the effective use of Federal funds and can be used to assist those 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 provide assistance to schools in a nonideological and responsible way.

Quarterly payments are made based on the head count of the displaced students temporarily enrolled in schools. The total for these four payments is $6,000—$7,500 for students with disabilities—per displaced student or the cost of tuition, fees, and transportation for nonpublic students, whichever is less.

Parents of displaced students verify that they have made 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.

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.

Our efforts must be focused 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 am sure that some of you have heard from school groups opposing this amendment. I am surprised that groups representing the very schools and students that have been most impacted by this disaster are now opposing efforts to provide relief to their students, teachers, and administrators. It is important that we provide this much-needed relief to those who are working to make sure our displaced students don't suffer even more than they already have by this extraordinary disaster.

I urge my colleagues to support this amendment. Education savings should go to students. An investment in our students is an investment in our future.

Mr. GREGG. Mr. President, we have now completed, for all intents and purposes, all of the debate on the deficit reduction bill, 20 hours. That will be effective as of 6 o'clock.

I would note once again, as the Senator from North Dakota has noted and I have noted, tomorrow we begin a fairly complex and lengthy process of voting on the amendments that have been

offered. There are 16 or so amendments already pending, which represents many hours of voting, and there may be additional amendments offered. Obviously, we hope they will be limited because there is a desire, I believe, by most people to complete this bill tomorrow. But if we do not finish all the voting by 6 o'clock, then we will move the events over until Friday because this bill will be completed under either scenario.

At this time I want to thank again the Senator from North Dakota and the staff for their courtesy, their professionalism, their effort to move this bill along in a very constructive way as we moved through the debate process. I also especially wish to thank my staff, which has done a great job of getting us to this point. Tomorrow is going to be a fairly intense period for these folks and we appreciate them in anticipation of all the work they are going to have to do.

Mr. President, I will yield back the remainder of the time on this amendment and ask unanimous consent that for the purposes of this bill, all time be deemed to have expired relative to debate.

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

Mr. GREGG. Mr. President, I understand the next item of business will be the Agriculture appropriations conference report.

I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AGRICULTURE APPROPRIATIONS CONFERENCE REPORT

Mr. CRAIG. It is my understanding that for the remainder of the day, we have completed work on budget reconciliation and we are about to move to the Agriculture appropriations conference. I understand Chairman BENNETT is on his way to the floor, and as soon as he gets here I will yield, but I thought for the few moments that remain prior to that, I would discuss that very important appropriations conference we will soon be discussing.

The reason I want to do that is because I made an effort during the appropriations conference to deal with what I believe is a major issue threatening American agriculture today that the Congress has largely ignored at this moment, and the courts are now working their will and the trial bar is working its will at the moment to try to change the intent of law.

The agricultural industry is, I think, very concerned about litigation actions being taken to apply the Superfund law, referred to as CERCLA, and its counterpart, the Community Right to Know Act, better known as EPCRA, to emissions or discharges primarily from livestock and poultry waste produced during the normal course of farming operations.

Someone would say, You mean a dairy farm or a poultry operation ought to be plunged into Superfund? Well, that is exactly what is being attempted at this moment and, of course, we would say no. The reason we say no is because when those laws were created by Congress, agriculture was clearly exempt. It was intended to be and it was exempt at that time. If you were to put agriculture into the CERCLA/EPCRA issue, according to EPA's own description, then you have changed the whole dynamics.

According to the EPA's own description, the Superfund law is ''the Federal Government's program to clean up the nation's uncontrolled hazardous waste sites. Under the Superfund program, abandoned, accidentally spilled, or illegally dumped hazardous wastes that pose a current or future threat to human health or the environment are cleaned up.''

That is the responsibility of EPA under that issue. Are dairies and feedlots uncontrolled and abandoned hazardous waste sites? That is what we are talking about at this moment.

EPA goes on to say that ''the Superfund law created a tax on the chemical and petroleum industries and allowed the Federal Government to respond to releases or potential releases of hazardous wastes that might harm people or the environment. The tax went to a trust fund for cleaning up abandoned or uncontrolled hazardous waste sites.''

The question is, if we allow the courts and the legal process to drive those in agriculture into EPCRA and into CERCLA—again the Superfund law and the Community Right to Know law—is Congress then ready to appropriate moneys for other concentrated herd releases that might result? Should dairies, poultry farms, farmer-owned cooperatives, and others be required to pay into Superfund as the nuclear laboratories and the petroleum industry do?

That was never the intent of Congress, and in trying to speak to that issue, Congress has to date been silent because environmental groups have moved in and are standing at the doors of some of my colleagues, wringing their hands and saying oh, no, no, communities have the right to know and it ought to be included in all of this, even though the law says not.

Now, that is not to say that these agricultural entities of the day are not responsible for clean air and clean water. They are under the Clean Water Act and the Clean Air Act. They work with EPA in those standards. They work with their State environmental councils and environmental departments to meet those kinds of standards.

What we are talking about is a legal issue attempting to shift, if you will, these responsibilities away from the intent of the law, as spoken to so very clearly by this Congress in the creation of those two entities, EPCRA and CERCLA.

Another provision of the Superfund law allows EPA to fine violators up to $27,500 per day. Does that sound like a sum tailored to fit a farmer? Environmental groups would have you think that, well, you know, this is only for the big boys, the big operators. But then they do not define big. They say, well, large concentrated herd areas. It is the small versus large issue. Once it is well established that large operators in American agriculture are required to comply under these acts and meet the standards of the acts, any of us who have ever watched the progress or the evolution or the migration of law through the courts over time know it is only a moment in time before the small operator is included.

I made an effort during Agriculture appropriations and Agriculture appropriations conferences to clarify this issue and to say once again very clearly to the American public the intent of the laws of Superfund and Community Right to Know, and those intents were very clear—not to include American agriculture. It isn't the big versus small issue at all. It is where do you rest the responsibility on the issue. It is not to say that American agriculture doesn't have a responsibility. Of course, they do. And they are fulfilling that responsibility under State law, under county zoning, under EPA, under the Clean Water Act and the Clean Air Act. These are issues that I hope this Congress will soon address.

As to my amendment that I attempted, that the Republicans in the Senate did support in the conference, the conference collapsed itself so that it would not have to deal with this ''thorny issue'' of the moment; it walked away from the National Association of State Departments of Agriculture that supported our effort and the Southern Association of State Departments of Agriculture because at the State level, State Departments of Agriculture get it, they understand it, and they know this has to be clarified. We cannot let the trial bar, if you will, and communities of interest try to rewrite public policy through the court process. That is exactly what is going on today. Several lawsuits have been filed in this effort.

I am certainly going to be back, as I know many of my colleagues will, in attempting to deal with this very important issue. I do respect what Chairman BENNETT had to do to move the Agriculture appropriations conference forward. I had hoped we could get the CERCLA and EPCRA amendment into the conference, but it is not here. The conference is silent to it. The conference did good work. I am pleased to see that we could get as far as we could get in a variety of issues.

The chairman and the ranking member are now in the Chamber. They had