

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

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

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

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

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

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

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

believe that this amendment achieves that goal.

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

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

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

Mr. ENZI. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

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

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

The PRESIDING OFFICER. The Senator from Virginia.

#### ROSA PARKS FEDERAL BUILDING

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

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

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

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

The assistant legislative clerk read as follows:

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

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

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

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

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

Mr. WARNER. Mr. President, last week the Senate addressed an identical piece of legislation offered by our distinguished colleagues from Michigan, Senators STABENOW and LEVIN. Senator REID was very active in the consideration of that bill at that time. With the consent on that side and the consent of others on this side, I was successful in getting on an amendment that I had been working on for some 3 years, with Senator LEAHY and others, to name the new annex to the District of Columbia Federal courthouse system in honor of William Bryant. I have known this outstanding African American much of my life, having served as a young U.S. attorney. He was one of

our great teachers at that time, having been a senior U.S. attorney. He was the first African American assistant U.S. attorney, the first African American to become chief judge of the district court. He is 94 years old now and in senior status, and I thought it appropriate that the Senate pass that recognition. That bill by the Senator from Michigan, as amended by the Senator from Virginia, was passed by this Chamber last week. I have been assured by the Speaker of the House of Representatives that bill will be on tomorrow's consent calendar. So both bills will be acted upon in due course. This particular bill was introduced by Congresswoman KILPATRICK, in whose district the courthouse will be named. Therefore, it is appropriate that there be a companion piece of legislation.

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

I yield the floor.

#### RECESS

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

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

#### DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005—Continued

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

Mr. REID. I thank the Chair.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There are numerous examples of how the administration misstated, and manipulated the facts as it made the case for war. The administration's statements on Saddam's alleged nuclear weapons capability and ties with al-

Qaida represent the best examples of how it consistently and repeatedly manipulated the facts. The American people were warned time and time again by the President, the Vice President, the current Secretary of State in her other capacities, about Saddam's nuclear weapons capabilities. The Vice President said:

Iraq has reconstituted its nuclear programs.

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

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

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

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

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

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

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

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

There is also another disturbing pattern; namely, about how this administration responded to those who challenged its assertions. Often this administration's activity sought to attack and undercut those who dared to raise questions about its preferred course. For example, when General Shinseki indicated several hundred thousand

troops would be needed in Iraq, his military career was ended, he was fired, relieved of duty, when he suggested it would take 200,000 troops. Well, it has taken a lot more than that.

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

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

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

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

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

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

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

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

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

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

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

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

Remember, we wrote it to the President—

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

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

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

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

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

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

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

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

We need a thorough investigation that that committee is capable and tasked to do. At this point, we can only

conclude he will continue to put politics ahead of our national security.

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

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

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

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

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

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

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

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

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

November 2004, we had the Presidential election.

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

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

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

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

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

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

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

Ms. STABENOW. I second the motion.

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

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

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

#### LEGISLATIVE SESSION

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

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

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

Mr. REID. No objection.

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

#### ORDER OF PROCEDURE

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

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

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

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

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

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The minority leader.

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

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

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

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

Mr. ROBERTS. Thank you, Mr. President.

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

I think it is very important to point out that the Intelligence Committee has had an absolutely outstanding record working with Senator ROCKEFELLER and my colleagues across the aisle to produce the original review in

regard to the 2002 National Intelligence Estimate prior to the military activities into Iraq, and also as to whether Saddam Hussein had reconstituted his weapons of mass destruction. That was a 17-to-0 vote. We had some differences, but that report came out. It was a good report. It was a seminal report. As a matter of fact, I take pride in saying that it was a bipartisan effort that was agreed to by the 9/11 Commission, by the WMD Commission that was later formed, and made about 93 or 94 recommendations to the administration of which probably 93 to 94 out of 95 have already been implemented. So we worked in a bipartisan fashion to do that.

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

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

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

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

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

My good friends across the aisle are people of good faith. We had strong differences of opinion then. I suppose we will have it in regard to phase II as

well. We have seen that happen time and time again. As a matter of fact, we brought up phase II on May 17 of this year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Here is the paragraph:

Be prepared to launch an independent investigation when it becomes clear we have exhausted the opportunity to usefully collaborate with the majority. We can pull the trigger on an independent investigation any

time, but we can only do so once. The best time to do so will probably be next year.

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

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

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

The PRESIDING OFFICER. The time has expired.

Mr. ROBERTS. I thank the President.

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

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

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

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

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

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

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

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

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

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

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

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

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

My colleague, the chairman of the committee, has referred to all of the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

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

Mr. CONRAD. I yield.

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

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

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

Mr. President, also, there was a reference in the chairman's remarks as to events that went on in the Douglas Feith matter, and he referred to "lawyering up." There is a very clear,

easy, simple answer to that, and I ask unanimous consent that be printed in the RECORD, also.

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

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

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

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

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

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

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

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

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

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

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

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

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

E. prewar intelligence assessments about postwar Iraq;

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

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

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

Sen. Rockefeller said, "This agreement reflects a difficult and lengthy process, but in

the end, we were able to reach consensus on the need to expand the investigation into several key areas."

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

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

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

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

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

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

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

The Senator from New Hampshire.

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

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

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

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

The PRESIDING OFFICER. The Senator from North Dakota.

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

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

But “chapter 3” is to increase the debt of the United States by \$781 billion—\$781 billion. If you couple that with the debt increases that have already occurred under this administra-

tion's watch, they will have increased the debt of the country, in just 5 years, by \$3 trillion. In the next 5 years, under this budget agreement, they are going to increase the debt another \$3 trillion. In this very short period of time, they will have accounted for half of all of the debt accumulated by this country over 228 years. That is truly stunning.

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

The PRESIDING OFFICER. The Senator from New Hampshire.

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

The PRESIDING OFFICER. Is there objection?

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

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

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

Mr. GREGG. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2356

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

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

promise to come forward and provide the kind of relief our good neighbors in the Gulf State region needed.

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

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

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

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

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

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

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

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

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

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

The underlying bill does contain some assistance for Katrina survivors. I thank the Finance Committee chairman, Senator GRASSLEY, and my colleague, Senator LOTT from Mississippi, who is on the committee. But the truth be told, it is not enough. The hospitals and providers of Louisiana have told us it is not enough. They have told us they can barely keep their hospital doors open past Thanksgiving. How in

the world could we imagine that people are going to move back in to the communities of the gulf region to rebuild their homes, rebuild their businesses, bring their children back into school systems, if there is no medical care? I ask my colleagues, would you do that? Would you move your family back into communities where the hospitals are closing their doors? Would you ask your employees to come back to a business where no medical services could be provided? Is that how we treat our American family and the members of our American family?

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

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

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

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

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

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

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

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

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

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

We're out of money, roughly after Thanksgiving.

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

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

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

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

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

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

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

Mrs. LINCOLN. Not just yet. Thank you.

The whole idea of community has been lost. Unfortunately, I think it is because there has been this attitude created, a sense or a feeling that makes Americans afraid to share. What does that mean? It just means we are all concerned about "me." But what

makes us strong as a country? It is the "we." It is the "we" in Americans. It is when we work together, we not only do better, we do our best. And I think this amendment is a way that Americans can show their best. They can show how important it is to reach out and to take care of our neighbors and a big part of our American family.

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

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

I thank the Chair. I yield the floor.

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

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

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

The PRESIDING OFFICER. The Senator from New Hampshire.

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

Mrs. LINCOLN addressed the Chair.

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

Mrs. LINCOLN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

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

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

Mr. GRASSLEY. Yes, I will.

Mrs. LINCOLN. I thank the Senator.

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

Mrs. LINCOLN. That is fine.

Mr. GRASSLEY. For a question or comment.

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

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

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

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

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

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

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

Mr. GREGG. Will the Senator yield?

Mr. GRASSLEY. Go ahead.

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

The PRESIDING OFFICER. The Senator from Iowa.

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

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

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

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

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

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

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

I encourage my colleagues to support this provision in my bill and, con-

sequently, I ask them to vote against the amendment by the Senator from Arkansas.

I yield the floor.

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

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

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2356

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

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

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

The clerk will report the amendment.

The legislative clerk read as follows:

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

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

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

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

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

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

The PRESIDING OFFICER. Is there objection?

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

The PRESIDING OFFICER. The Senator is correct.

Without objection, it is so ordered.

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

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

The PRESIDING OFFICER. On the amendment, the minority has con-

sumed 22 minutes. On the amendment, the majority has consumed 9 minutes.

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

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

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

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. I thank the Chair.

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

The PRESIDING OFFICER. The Senator is correct.

The Senator from Louisiana.

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

She comes from a State that was not directly hit by the hurricane but was, nonetheless, impacted, as so many other States were that had the goodness, the graciousness, the where-withal, and the inclination to take on thousands and thousands of people from Louisiana and Mississippi, truly tens of thousands of people who fled for safety, for security, for food, and for shelter.

It has been 64 days since Katrina hit and about 50-some-odd days since Rita hit, two of the deadliest storms in U.S. history. But it was not just the storms that did us in, not just the category 4 or category 5 storms of 175-mile-an-hour winds that did us in. It was the 17 levee breaks in one of the largest cities and metropolitan areas in the United States. And not just any city—an international city, an international region, the heart of the energy coast, the city that secures the mouth of the Mississippi River and, may I say, the parishes that surround the great city of New Orleans—Jefferson, St. Tammany, Plaquemines, St. Bernard, and to the south we have parishes such as Vermillion, and along the southwestern part of the State, Calcasieu, and Cameron that were hard hit by Rita. There were over 2 million people displaced because of the storms and the subsequent levee breaks. It was the largest catastrophe, natural disaster in the history of the Nation.

Our frustration—the Senator from Arkansas, the Senator from Montana, and other Senators from the Democratic side, and even Senator GRASSLEY—is that it has been very difficult for people in Washington, particularly

members of the administration and the majority party, to understand the desperate and unprecedented nature of this disaster and what it has done to people—poor, middle income, and wealthy.

Let me share a statistic in terms of doctors that is quite startling. Doctors are not usually in a poor category, nor are they really in any government program in a sense. Most doctors make a considerable amount of money, and most doctors live in very nice homes. They have studied hard, and they have worked hard. Most doctors would not be in a Government program. But just to give a sense of the displacement, there were 6,000 active patient care physicians in this region before the storm. Sixty-five days ago, there were 6,000 active patient care physicians. Over two-thirds, 4,486 have basically been displaced out of 3 central New Orleans parishes that were evacuated.

Not only do we not have hospitals or clinics, our doctors are gone and our nurses are gone. The system is literally collapsing as we speak. That is why Senator LINCOLN has been here not just today but almost every one of these 64 days trying to get this body and Congress to understand the magnitude of the disaster, the unprecedented nature of the disaster, and why it is important for us to provide a few billion dollars to help us keep the lights on, get our doctors back, our nurses back, keep what hospitals we can standing up, because an unprecedented number of people have not just lost their homes but have lost their jobs and, as a result, have lost whatever health care, whatever access to good care they needed.

Let me make one other point. The point I want to make in my short time—the ranking member of the Finance Committee is here—as Senator LINCOLN said, this is about choices. I believe we as a Congress can make better choices. We can do better. We can do better by the people we serve.

The reason I say that is because the majority party is in a position to write the rules. We are writing a rule today that basically says we are going to provide \$70 billion for tax-cut extensions. Some of them may be good, but we are deciding as a Congress that we are going to give \$70 billion in tax cuts for 5 years. That is \$14 billion a year. Yet when Senator LINCOLN and Senator BAUCUS come to the floor to say we need \$6.2 billion to just help people who have lost their homes, lost their churches, lost their schools, lost their neighborhoods, and lost their jobs, to just give the poorest of the poor access to health care so they can take care of their cancer or diabetes or even desperate mental health situations just for a few months or a year, we are told that we cannot afford that.

It is about choices. It is about the choices we are going to make on spending and tax cuts. We are basically told: I am sorry, Louisiana, Mississippi, and Alabama. The only thing you rate is \$1.8 billion for health care. That is all

you rate, and that is all this will do, is take care of just the Medicaid Program that was only in the 13 parishes.

But what I have to explain to people is, because New Orleans is the largest city in Louisiana, because this region is the largest economic contributor—it is a profit center to the State—our State budget is now struggling with a \$1.5 billion to \$3 billion shortfall in the State general fund. As a result of the loss of revenue due to this catastrophic event, our entire program is struggling, not just in the parishes in which the hurricane hit, where the wind blew, the waters rose, the trees fell, and the homes collapsed, but our whole State is struggling. That is why Senator LINCOLN and Senator BAUCUS come to the floor and say: We thank you for the \$1.8 billion, but it is not enough to keep our program up and running this year.

This is not just any program. This is not a program that Louisiana thought about. This is a Federal program. It is in the essence of a Federal-State partnership, as you know, Mr. President, from your work in Tennessee. The Federal Government puts up 70 percent, and the State government puts up 30 percent. What I am here to tell you is the State partner has experienced a great setback. The State partner is going to have a very hard time, if not impossible time, putting up the 30-percent match to keep our children and our poorest citizens, as well as those who are vulnerable, in health care for the year.

So we come here 65 days after the storm, when we are spending money on everything we can imagine—from new programs, expansion of programs, tax cuts—to say, please consider a basic service of health care, not just for the parishes that were affected and the counties in Mississippi but for the whole States of Louisiana and Mississippi that are struggling.

Particularly in Louisiana's case, we were harder hit, we had more levees break, our major city was flooded. Jackson was not flooded. New Orleans was flooded. Our major economic base, from our ports to our energy industry, have been directly impacted and revenues have fallen off precipitously.

Let me share one other statistic and then I am going to wrap up. I asked my staff to give me something so I can explain to people what the losses are. They went back to 2003. Now, this is only 2 years. This is an average of people who are unemployed in Louisiana. We work hard just like everyone else. We averaged about 135,000 people unemployed in June of 2003. Let us pick June of 2004: We had 119,000 people receiving unemployment. Let us go to January 2005: We had 119,000 people. Right before the storm in August of 2005, we had 122,000 people unemployed.

So I think one can say over the last 2 years we have had roughly an average of 120,000 people unemployed. In one month, our number jumped from 122,000 to 227,000 people—100,000 people in one month are seeking unemployment.

That is how desperate people are. It has never happened in these 2 years. I bet if we went back and looked at it for the last 20 years, the only spike that one would find like this is maybe in the 1980s when the oil industry collapsed and almost everybody in Louisiana lost their livelihood. We have not seen this in so long, we do not remember a time such as this.

I do not know why we are having a hard time explaining this to an administration and to the majority about how desperate the situation is. We are not ungrateful for the steps that have been taken. We are not ungrateful for the FEMA money that is slowly getting to us. What we are saying is we need to do better.

Today, how do my colleagues think I felt watching the President of the United States stand up and tell everybody that he was going to allocate \$8 billion for the avian flu? I do not know where he is getting the \$8 billion for the avian flu. All we are asking for is \$6.2 billion to keep a health care system of the whole State standing up until we can figure out what we might need to do because we do not have all the answers. It has only been a few weeks. Our system has basically collapsed. It is going to take us a little bit more time to figure out what the long-term solution is.

For the people that Senator LINCOLN talked about that stayed on their refrigerator for 3 days, for Mr. Albert Bass, who was a painter in the ninth ward, who went to the hospital with a 104-degree fever, his Medicaid application has been denied; he needs help now. For Ms. Stewart, who lives in Jefferson Parish, she was a teacher; she has been denied Medicaid. She is 51. She is married. Her husband receives Social Security. She was diagnosed with cancer. Her cancer is back. Her health situation is worsening. She has no more income. I need to tell Mrs. Stewart what her outlook is.

What I am going to tell her is, we are going to find money for the avian flu, we are finding money for Iraq, we are finding money for a tax cut, we are going to raise \$4 billion more by selling off spectrum, but I am sorry, we cannot get you into a hospital.

The final thing I am going to say, maybe the majority does not like that it is a Government program. So Senator LINCOLN, Senator BAUCUS, Senator GRASSLEY come up and say, well, let us have some way for the businesses that had people on unemployment—I mean insurance, the businesses have collapsed, but these businesses are valiantly trying to keep people on their insurance program because they know the desperate situation of their employees.

I cannot say what most businesses are going through. Business owners are taking money out of their own pocket, going into their own savings account, trying to pay their employees with no money coming in the front door. These businesses have been in business 30

years. These employees have been loyal to them. They have showed up for work every day. Talk about public-private partnerships. This amendment is an \$800 million fund that is not a new program. It goes to our insurance commissioner to try to help work with small businesses and businesses so that people can keep their health insurance, so that they do not fall onto the Government payroll, so they do not become wards of the State.

This is self-help. This is partnership. This is self-reliance. With all of that, we have been told, no, come back later.

We are going to continue to come back because while we are grateful for the \$1.8 billion, it is so far short of what we need to stabilize our health care system. For a State that is 4.5 million people, that has literally been punched in the gut and is rolling back, this administration has got to do better by the people of Louisiana, Mississippi, and the gulf coast. Charity starts right at home. Strength begins right at home. Our war is right at home in the Gulf Coast States. When one is fighting cancer, it is about as tough as it gets. When one has their son or daughter dying of a fatal disease, it is about as tough as it gets. That is a private war that people are going through. We keep walking away from it, pretending that it is going to go away. Well, it is not going to go away. I am not going to go away. The Louisiana delegation is not going to go away.

Finally, we will realize that this is not a regular hurricane. This was an unprecedented catastrophe that has taken a major economic center to its knees, and it is going to take more than whitewashing and press conferences and a little bit of money drabbed here and there to stand us up so that we can continue to be the great region we are, pay taxes to this country and contribute to the economic benefit.

As I said, we are not a charity case. We have contributed billions of dollars to this Government and will continue to. In our hour of need, we have to come and ask for pennies on the dollar. So I hope that we can do better. We must. We can. There is most certainly room in this budget on the spending side or the tax side to do better.

We are grateful for the \$1.8 billion, but we need Senator LINCOLN's amendment, we need the leadership of Senator BAUCUS. I thank Mr. GRASSLEY, the Senator from Iowa, the Republican leader of the Finance Committee, who has been a champion on this issue. If he had a little more support from his caucus and from the administration, we might get more than a Band-Aid, because we are hemorrhaging.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I do not know who is yielding the time.

The PRESIDING OFFICER (Mr. CHAMBLISS). The Senator from Arkansas controls the time.

Mrs. LINCOLN. What is the time remaining on our side, please?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. LOTT. Parliamentary inquiry: How much time remains on this side of the aisle on this issue?

The PRESIDING OFFICER. The Senator has 51 minutes remaining.

Mr. LOTT. Has the Senator from Montana spoken on this subject?

Mr. BAUCUS. Not yet. I plan to speak now.

Mr. LOTT. Mr. President, I want to speak on the subject also, but I would defer to the ranking member of the committee, and then hopefully I could speak right after that.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I yield time to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, 9 weeks ago yesterday, Hurricane Katrina hit the gulf, killing over 1,000 people, displacing over 1 million people, leaving the region with a cleanup bill that might reach \$200 billion. Katrina left a gaping need in health care in the affected States and those that are hosting States. I do not know how to say it any other way but that the devastation is biblical.

I visited the area 5 or 6 weeks ago. Other Senators did, too. I do not think there is any Senator who actually visited who would come up with any other feeling or belief that it is biblical. Unfortunately, very few Members of this body have actually been there. Unfortunately, very few Members of this body have actually seen the area, seen what is left, and it is not much, whether it is in Louisiana, New Orleans or the Gulf States. It is incredible how much the area has been destroyed. People who are alive do not have jobs, do not have homes, do not have schools, do not have their lives. It is absolutely incredible, and it is devastating. It is biblical. I do believe firmly, if every Senator in this institution were to see the areas affected, see the people, see what is happening, there would be a different result.

We have become too academic around here. We read too many memos. We talk too much among ourselves. There is too much sort of theory, not enough actual on the ground, what really is going on. If Senators were to see it, feel it, taste it, smell it, there is no doubt in my mind that this amendment offered by the Senator from Arkansas would pass, it would pass unanimously, and we would not be debating it. We would be probably asking how could we help some more.

So in the meantime, how has this Congress responded? To be fair, it has not. Incredibly, it has not. In the hurricane's wake, the chairman of the Finance Committee and I drafted a bill to cover evacuees under Medicaid for a short period of time, 5 months, to help provide health care to low-income peo-

ple who do not have their jobs anymore, who do not have health insurance anymore, who do not have a place to put their kids in school, do not have homes—just temporary health care, 5 months. That was the bill we offered, a bill that Senator GRASSLEY and I put together.

Who supported it? Everybody in the affected States, Republicans, Democrats, Senators, Governors, supported it. Did we get it passed? No. We cover evacuees below the poverty level of \$9,500. Think of that. People who earn that low income need help, particularly in the circumstances faced by the people in the aftermath of this destruction of the hurricane.

Our amendment also would cover pregnant women and kids at twice that income level. That is not a lot of money. That is about \$19,000 a year. That is all. Pregnant women and kids with incomes above that much would not get covered by our amendment but up to that level, \$19,000 a year, that is all, pregnant women who only earn \$19,000 a year. We say let's help them out for 5 months but at least help them out. That bill did not pass.

What else did Senator GRASSLEY and I provide for? Well, an \$800 million fund for health care providers' uncompensated care cost. What is that all about, uncompensated care? What does that mean? That means help to those hospitals, those doctors, who gave free medical care out of the goodness of their hearts. Free medical care to people, regardless of what it cost, they just gave it; it is uncompensated care. Because those folks did not have insurance coverage, they did not have ways to pay the bills. It was free care. So we are saying, those hospitals are Good Samaritans, those doctors are Good Samaritans. They were not compensated at all for their care, so let us give them a little bit, \$800 million—that is all. I know that the true uncompensated care cost is many times that. We are saying, let's help those Good Samaritans and show them that we care.

And who is "we"? We are the American people who pay taxes. We are Members of the Senate saying, OK, we represent our people back home. Those of us offering this amendment say we believe that our people in our States want to help out. They want to help these people who do not have health care, who have lost their jobs, lost their health insurance, help people who are in desperate need of help.

Indefinitely? No, for 5 months. For a long time? No. For a huge amount? No, a little bit. We think the American people want to help give some care to those people who need it and who are good Samaritans. But this body so far has said we are not going to help those good Samaritans. We are going to leave them out in the cold.

Senator GRASSLEY and I also suggested giving 16 months of full Federal funding to the beleaguered Federal programs of the affected States. What does that mean? That means for 16 months

we, as Americans, are going to help those States meet their Medicaid bills—for 16 months. But our bill has been blocked. It has been blocked by a small group of Senators on the other side of the aisle.

What do these Senators on the other side of the aisle say? What is their reason for blocking this bill, this little, small bill that helps some people for a short period of time? What do they say? That our bill provides an open-ended expansion of Medicaid. It is the camel's nose under the tent. It is a theoretical, ideological argument.

They argue also that the Government, that is HHS, Department of Health and Human Services, can take care of this crisis without congressional action. They say you don't need that, Congress. We, the administration, can take care of this. That is what they say. They also argue that our legislation is unnecessary spending. They keep those same arguments in effect today.

Let me take those points on one by one. On the first, the amendment before us provides, as did the bill Senator GRASSLEY and I offered, temporary 5-month Medicaid coverage. It is not indefinite; it is temporary, 5 months. We also suggest the President can renew that coverage for an additional 5 months, but that is it. It is not an open-ended Medicaid expansion. It is getting help to those who need it; not down the road, not forever, but now, because people need health care now. That is not something they can postpone. When you need health care, you need it right now. What about the argument that the administration, HHS, can take care of this problem without congressional action, that the administration can take care of Katrina health needs through something called Medicaid waivers?

Simply put, that is not true. It is simply not true. They cannot do that under the law. They need a change in the law to do that. They cannot do that on their own. Last week in the Finance Committee, HHS testified they do need legislation to provide additional funds for the States to meet Katrina health needs. They admitted it before the Finance Committee. They also said the plan to provide only \$100 million for new funds for uncompensated care costs—that \$100 million is a paltry pittance compared to what is needed in the State of Louisiana alone.

I might say, too, legislation is needed to address these needs, but the President still has not asked Congress to pass the legislation to make that happen. We provide it in this amendment, but they do not.

Finally, Senators on the other side of the aisle argue that this bill constitutes wasteful spending; since we have already appropriated \$60 billion through FEMA, two-thirds unspent, we should use those funds first. These same Senators argue we should scale back the bill's pricetag.

I have listened to my colleagues on the other side of the aisle. Senator LIN-

COLN has listened to them. Senator LANDRIEU has listened to them. We want to get legislation passed. We want to help people in some way.

Guess what. In the spirit of compromise we scaled back our bill, offsetting it with unspent FEMA funds. That is, we are doing what the Senators wanted us to do. The amendment before us reduces the cost of the Katrina health package by giving 12 months of State Medicaid relief instead of 16 months; it removes the reductions in 29 State Medicaid programs—that bothered them, we removed that part—and by using unspent FEMA funds to offset its costs, the amendment does what the White House advocated last week.

As you know, last week the White House proposed redirecting \$17 billion in unspent FEMA funds to help rebuild the gulf coast. Let's look at that \$17 billion. Of that \$17 billion, \$3.3 billion would go to reconstruct military bases—not health care needs but military bases—and \$2.3 will be spent on highways and bridge construction.

I am speaking perhaps out of place here, but I visited the military bases that have been the subject of this amendment here. Yes, there is damage there, but it does not begin to compare with the other damage, the damage to the homes and the roads and the bridges, the lost jobs and health care needs. There is no comparison. I don't know why we are spending \$3.3 billion to reconstruct a military base but not spending the money to help people with their health care needs.

Mr. President, \$410 million would help farmers remove debris and rehabilitate the land. Those are good causes. But the President's request doesn't ask for increased health care funding. It does not help those hospitals or doctors who were Good Samaritans by providing uncompensated care relief. It does not help States care for evacuees through their overburdened health care programs, and it doesn't help patients now.

As I say, this amendment, to remind my colleagues what one of the opponents on the other side argued for a moment ago—it does it. What is that? When trying to move this bill through the Senate, a Senator on the other side, on September 30, said, and I quote him:

The question is not whether we should or want to provide assistance. But we want to make sure we do it in a way that ensures that resources get where they are most needed and in a way that takes advantage of the \$45 billion or so that has already been appropriated but has not been committed yet.

Guess what. That is what this amendment does. It uses unspent funds to meet the urgent health care needs of Katrina victims. More than 9 weeks after this major national disaster hit our shores, we are still waiting for this Congress and the President to act on Katrina health care needs. The reconciliation bill we are considering provides some help for victims, but the \$1.8 billion in the bill is not enough. It

has been called a downpayment. It is not a downpayment; it is an end payment in the minds of the administration and those on the other side of the aisle. It is a last payment; it is not a downpayment. Why is it not a downpayment? Because they are saying no to extra funds being suggested here. So it is not a downpayment. That is flat inaccurate. It sounds nice, but it is inaccurate.

We need to provide more Federal funds to help the affected States. Louisiana is in very dire financial straits. It will have to cut its Medicaid program by an estimated 40 percent if that State doesn't get funds by the end of this year. Think of that. It has to cut Medicaid by huge amounts if it does not get the needed funds.

We also need to provide the funds for uncompensated health care costs to ensure providers—doctors, hospitals, health centers, the Good Samaritans—are recognized. And we need to ensure that low-income survivors get the health care they need, whether or not they meet Medicaid's rigid eligibility rules.

In Louisiana alone, half of those who have applied for Medicaid have been turned away because they don't meet those standards. Think of that. Half the people in Louisiana have been turned away. They have health care needs. It is diabetics, cancer patients, people with dire needs who are turned away. We are not talking about high-income levels. Currently, a single mom who makes more than \$2,500 a year would not get covered. Think of that. We are raising that to \$9,500 a year. Right now, in the view taken by the other side of the aisle, a single mom who makes more than \$2,500 a year would not get coverage. She would not get any help.

What are we saying? Let's raise it up to \$9,500 at least. That is not a lot of money; \$9,500 a year. That is not a lot of money. If she makes more than that, she doesn't get help, but if she makes up to that level, she does get some help.

This is not right, that this amendment is not being passed. It will not be agreed to. It is clear by the tone of this debate here. The Senator from Louisiana said we are going to keep working until we get something passed. Why? Because it is the right thing to do.

I see the chairman of the Budget Committee is sitting there, deeply pondering, his chin on his hand there. I am saying to the chairman: There is a way to do this. The way to do it is to pay for it out of unspent Katrina appropriated dollars. There is a way to do this.

I know the chairman is very concerned about total costs. He should be concerned about total costs. That is his job. But there is a way to do this and that is through this amendment. It is through the already appropriated dollars that are unspent. It does not add

to the deficit, does not add to the budget woes the chairman is worrying about. There is a way of doing this.

I am calling upon all of us as Senators to find a way to do this. We all know it is the right thing to do. We all know it is the right thing to give temporary health care assistance to people in the affected areas. We all know that. We all know it is the right thing to do to help some of those hospitals and doctors who have been Good Samaritans get a little bit of help because all America wants to help. We all know that. All America wants to help those doctors and those hospitals a little bit.

I say to my good friend from New Hampshire, find it in his head and in his heart to help make this thing work because it is so important to so many people who are counting on us to recognize them, give them a little bit of hope—that is the very least we can do—and support the amendment offered by the Senator from Arkansas.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. I will yield to the Senator from Mississippi such time as he may use off the amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the Senator from New Hampshire, the manager of this important legislation, for yielding at this time. He has been very patient as this amendment has been discussed. And the distinguished Senator from Oklahoma certainly has been patient, thinking he was going to have to wait 5 or 10 minutes after this amendment, so I will try to be brief.

Let me say there is no question in my mind about what our needs are in Mississippi and Louisiana. The people I love the most, my neighbors, my family, and constituents I have represented for 33 years, are hurting. They need lots of help.

Right across the hall now are 12 superintendents from south Mississippi saying: Help us, please, and do it quickly because FEMA is not delivering trailers for our employees. We are open because we want to get our children back in school, but we need operating expenses, we need help right away. Not just rebuilding, we need help to keep operating because the tax base has been destroyed—no ad valorem tax, no sales tax, nothing in some of the counties that are affected.

Look, I know firsthand how bad this situation is. Every time I go home it breaks my heart again. Fortunately, the people there are resilient and determined to come back. They appreciate any help we give them. They don't whine a lot, from my neck of the woods, they just keep working.

I agree with what has been said here in a lot of areas. First, this Senate has not done enough to help the people, and what we have done is being slow-rolled by the Office of Management and Budget and FEMA. The list of horror stories, if I put them in the RECORD, would stagger my colleagues here.

A good job is not being done—yet. The money we passed, \$63 billion almost, probably—maybe \$40 billion has been spent. Meanwhile, some contractors have not been reimbursed; schools have not gotten a nickel; the Mississippi Department of Transportation is not being reimbursed for the money they have already spent. There are horror stories of what Congress has not yet done in terms of changing the law. There is a bill pending right now at the desk from the Government Affairs and Homeland Security Committee, S. 1777, that would do an awful lot to help our people in a lot of areas by changing the laws, by removing caps. It would not necessarily cost a lot more money. It would extend the time for unemployment benefits from 26 weeks to 39 weeks, and so on and so on. There is a lot we could be doing. We ought to do it.

But what is this bill we are working on? This is the deficit reduction legislation, I thought. I thought this is where we found places where we could make savings where money is not being properly spent, or spent to the best effect. Several committees have worked to come up with the savings we have. And, by the way, gee whiz, we came up with more money than the budget required. So, "Gee, where can we spend it?"

Yes, I am one of the ones who is trying to do that. I supported the effort of Chairman GRASSLEY and Ranking Member BAUCUS to get a bill through—I don't know, 6 weeks ago—that would have provided \$8.5 billion, I think it was, for Medicaid. I didn't cosponsor it because there were things in there I was uncomfortable with, but I thought we needed to take action quickly.

So we came down to this. Now it is \$1.8 billion. How did we get \$1.8 billion for Katrina in the deficit reduction bill? I don't want to brag too much; I am not even particularly proud of it. But I said if you don't put that in there, I won't vote for the bill, and if I didn't vote for it, it wouldn't have passed because, unfortunately, we have to do it with all Republican votes.

Democrats won't help us at all. That is why it is in here. But it is not enough. It is not all we need. The plate has been passed. We got a little help. Now I am going to come back and say give me another \$2 billion, \$3 billion, or \$4 billion. That is going to depend on how we add to the deficit. This is not all it is going to be. But this is a good start, \$1.8 billion.

I have gotten to the point where I am saying I don't want it all, just help me a little. This is responsible, what we have done here—\$1.8 billion to increase the Federal match for Medicaid in the FEMA disaster counties. That is an important differentiation.

One of my problems I keep arguing about is I have people in northwest Mississippi who are not in the disaster area. We shouldn't increase the eligibility for them. They weren't hit by the hurricane.

I would be perfectly willing to just say: Governors of Louisiana, Mississippi, and Arkansas, we are going to give you X dollars for Medicaid, and you make sure it gets to the people who really need it. I have not been able to sell that. A lot of what we need can be done by OMB without us doing a thing. They could take it out of the \$60 billion-plus that we passed.

But I don't think we should use deficit reduction or the need for Medicaid help to immediately increase eligibility. I don't think we ought to provide 100 percent FMAP to all of Mississippi and Louisiana, including in those areas that were not affected. We may need to increase eligibility, but this is supposed to be to help people who were hit by the disaster, who were displaced by the disaster, or live in the area and lost everything.

I tried to make a point to my colleagues when they said we have to be fiscally responsible. I say help me explain to the people in Hancock County, MS, who lost their job, their house, their car, their truck, their boat, their dog, that we have to make sure we are fiscally responsible. I am not going to do that. We are going to help that person. That person has a slab, a mortgage, and no job. We are going to help them or I am not going to be part of an institution or government that will not help people in America who are hurting like that.

I can get just as passionate. I lost my house. I am emotional about that. Everybody around me lost their houses. And people who worked all their lives and saved everything, they have lost it all. This hurricane is a great equalizer. If you are poor and you lost everything, you have nothing. If you are middle income and you lost everything, you have nothing. If you are a retired doctor and you lost your home and your car, you ain't got much left.

We need to do more. There is no question about that. But we do the right thing here by raising the FMAP 100 percent for those areas that are affected. We need to do more in this uncompensated care area, and we are going to do more.

But I ask my colleagues—I know how heartfelt this is for my colleague from Louisiana and the Senator from Arkansas. They are trying to do the right thing. But I am just saying, let us not pursue the perfect at the expense of the good. I was a part of the deal. I got all I could. I will come back at the next round in conference and try to get more.

When we get through this, we will be back trying to get what we need. But to my colleagues from the affected States and those who want to help us, I want to remind them that when you ask for more than you are really entitled to, or when you ask for things not in the hurricane-affected area, or for people not in the affected area, you are hurting your credibility. When you ask for a huge number and include things that maybe are not in the area, and I

could do that, then our colleagues say: Wait a minute. We have to make sure we help those people who really need it, but we don't do things under the cover of the hurricane that can't be justified on behalf of the American taxpayer.

Having been critical about the recovery, let me just say to everybody—to volunteers, to the military, to the private sector, to the faith-based groups, to this institution, to so many people who have helped us when we have been on our knees—we appreciate it. We have to do a lot more. But I don't think we are in a position to be looking a gift horse in the mouth.

Let us do this now, and let us keep working because we have a long way to go.

This hurricane was so overwhelming, the damage is so monumental that it overwhelmed Federal agencies. Nobody can really appreciate what we are dealing with here. It is just more than we ever dreamed, including people like me. I have been through six hurricanes, two tornadoes, an ice storm, and a flood. I have never seen anything like this.

We are not going to fix this tonight, in a week, in a month, or in many months. It is going to take years.

I want to make sure, my colleagues, that I come back to you again and again and say: We need this help. I have done my homework. It is justified, and we need you to do it on behalf of these people.

Thank you very much. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Mr. President, what is the time agreement?

The PRESIDING OFFICER. The Senator from Arkansas has no time remaining. There is 50 minutes remaining in opposition.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, under the unanimous consent agreement, the understanding was that we move on to the Inhofe amendment and to the Nelson amendment. And although it wasn't agreed to, I believe it can now be agreed to that the amendment in order after the Nelson amendment will be the Lott amendment, except if we end up going into tomorrow, the first two amendments will be Senator CANTWELL's amendment followed by Senator GRASSLEY's amendment.

If Senator LOTT's amendment or Senator NELSON's amendment do not come up tonight, we follow those two amendments. Is that correct?

Mr. CONRAD. The chairman, as always, has it exactly right.

Mr. GREGG. I ask unanimous consent that be the order of business.

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

Mr. CONRAD. Mr. President, for the information of our colleagues, because we have a half dozen Senators or more on this side who have asked to have time to speak on the bill, let me send

a message in this way, if I can, to our colleagues and the staff who are listening. Obviously, the events of this afternoon have blown a hole in the time on the budget bill. What was the game plan before this afternoon has clearly been altered. Now, we have tried to lay out a schedule of amendments, as the chairman has just indicated. Next, we will go to Senator INHOFE.

Could Senator INHOFE give us a picture of how long he might require?

Mr. INHOFE. Yes. I respectfully say I can do mine in probably 15 minutes.

Mr. CONRAD. Then there may be some discussion on the Inhofe amendment on this side. Then we would go to Senator NELSON. That would be in approximately 20 minutes, perhaps, for the information of Senators.

How long would Senator NELSON require?

Mr. NELSON of Florida. Ten minutes.

Mr. GREGG. We will have a response, I presume. That is another 20 minutes.

Mr. CONRAD. Then we go to Senator LOTT.

Maybe that helps, for the information of our colleagues, as we try to go through this bill with some efficiency as we get toward the end of this day. We will close, by prior agreement, at 8 o'clock.

Mr. NELSON of Florida. Mr. President, may I inquire? There are two amendments that I will be offering in tandem. What is the procedure that the Senators would like me to use in offering those amendments? They deal with the same subject.

Mr. GREGG. I don't think the agreement reflected two amendments; it reflected one amendment. Let us take a look at it while the amendment of Senator INHOFE is going forward and see if we can work it out.

The PRESIDING OFFICER. The unanimous consent agreement is for one amendment.

The Senator from Oklahoma is recognized.

#### AMENDMENT NO. 2355

Mr. INHOFE. Mr. President, I ask unanimous consent that the pending amendments be set aside for the purpose of considering an amendment.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE], for himself, and Mr. CHAMBLISS, proposes an amendment numbered 2355.

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

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

The amendment is as follows:

(Purpose: To cap non-defense, non-trust-fund, discretionary spending at the previous fiscal year's level, beginning with FY 2007)

“Beginning with fiscal year 2007 and thereafter, all non-defense, non-trust-fund, discretionary spending shall not exceed the pre-

vious fiscal year's levels, for purposes of the congressional budget process (Section 302 et al. of the congressional Budget Act of 1974), without a 2/3 vote of Members duly chosen and sworn.”

Mr. INHOFE. Mr. President, I want to make a couple of observations. I happen to be one of the very first Members of the Senate to go down after Katrina to Louisiana and Mississippi. In fact, actually, we went all the way from New Orleans to Alabama in a helicopter. The devastation that took place is incredible. It reminded me a little bit of the tornadoes we have seen in Oklahoma. The difference is a tornado normally will affect about 5 square miles as opposed to a couple thousand square miles.

I certainly wouldn't want anything that I say to imply that we are not deeply sympathetic to the problems of the people of Louisiana and Mississippi, and to a lesser degree in Alabama. But I have to observe, as I have been listening to this debate, that you can always pour more money on a problem. This is something we have seen in government forever.

The Senator from Montana outlined a lot of things on which we need to spend more money, as did many others over here. You can always do that. I would question whether it is the Federal Government's responsibility to take care of everything that happens when a disaster occurs. We didn't expect that in Oklahoma, and I don't think it should be expected. For one thing, we couldn't do it.

The other day, there was an op-ed piece by the senior Senator from Alaska, Mr. TED STEVENS. He talked about the 1964 earthquake and the devastation. He actually had to go out and repair his own house and do a lot of this work, and not even 10 percent of that was taken care of by the Federal Government. We have a mindset now that somehow the Federal Government has deep enough pockets to take care of all of these problems. Frankly, it is just not right.

It is not true. You can't have it. We are going to have to get a handle on this thing, and I want to help.

I can say them in a relatively short period of time. I have been working on a solution to this problem with an amendment for quite some time. I have actually wanted to offer it previously on appropriations bills. But to do that, I would have to initiate a program of negating paragraph 4 of rule XVI of the rules. I don't think that is appropriate. It has been done three times in the last couple of weeks by three of the Democrat Senators. I don't criticize them for it, but I think if I do this on the Republican side it would be the first time that procedure would have been exercised, and it would not be appropriate.

Last Thursday or Friday, toward the end of the week, I had a colloquy on the floor with Senator FRIST, and we specifically discussed bringing up the amendment that I have in mind on the budget reconciliation bill. I am not

naive. It could be that there will be a budget point of order against it. It doesn't really make any difference. We are going to get a vote on this bill.

This is a very simple solution to a very complex problem. I understand a bill is going to be introduced which is going to eliminate all earmarks. That sounds real good. There is a big population out there that thinks this is going to solve the problem. But it doesn't solve the problem.

I mentioned this the other day when my junior Senator brought up a bill to do away with a bridge up in Alaska. I said: Look, you are looking at something where one of the few things that really works well in Washington is the way we handle the Transportation bill. What we do is determine by a formula that no one thinks is fair. Because you always want more in your own State, you take into consideration highway mortalities, the number of road miles, the donee status, and then you come up with a formula. That formula will allocate to the States an amount of money. This money, I might add, is money that has been paid in taxes at the pumps so that it goes to improving our transportation system. When you do this, if you send that to the States and they say, all right, you in the States determine the priorities that you have in the State of Florida, or in the State of New Hampshire, what do you think is the proper thing? That is either done by the elected representatives or by the local people.

In my State of Oklahoma, we have the transportation commission with eight commissioners in eight geographic areas of the State. They prioritize projects, and it is done very well.

With have earmarks to lock in these projects. That can be done, and these decisions are made locally.

There is a mentality in Washington that if a decision is not made in Washington, it is not a good decision. It is a little bit arrogant to say, Yes, the money has gone out to these States, but we in our wisdom do not think it should be spent on those projects that they think it should be spent on in this State—in this case, the State of Alaska, the well-known bridge, so-called Bridge to Nowhere, when, in fact, that bridge was a bridge that was for economic development, according to the Alaska Department of Transportation. They said out of 100 projects, that was No. 4 from the top because they want to develop that area and they cannot develop the area because people cannot get to the area. I am not sure whether I agree with that, but I don't care; that was their decision, not our decision in Washington to make.

If we were to pass a bill to eliminate all earmarks—it is not going to save money in the Transportation bill; almost all of that was below the line in formulas—all it would say is if you eliminate that earmark, then you are going to have to go back and decide what you want to spend that money on.

The money is not going to be saved. The money is going to still go to some projects, but we will have dictated that from Washington, DC. I am not saying this critically, because some of my closest friends and good conservatives believe if you eliminate earmarks, you will resolve a problem. You are not going to resolve it.

But there is a way to do it. I have a very simple amendment that will do that. The White House has been looking at ways to cut unnecessary spending. The White House, to their credit, proposed a package of \$2.3 billion in cuts. On October 24, 2005, Scott McClelland briefed the press regarding the White House's efforts, stating that certainly an area we have been looking at is rescinding spending increases, and congressional leadership has been looking at this for a long time.

There is a simple solution to this. I have a one-sentence amendment that I will offer to the reconciliation bill. A lot of people think you have to get long and involved verbiage before you can do something good. When I was in the House in 1994 on the issue that ended up being considered the greatest single reform in the history of the House of Representatives, that was my amendment. It was one sentence. You do not have to have long, complicated sentences.

I will read the one sentence that is in this amendment. I know one of the co-sponsors of this is the Presiding Officer. It says:

Beginning with fiscal year 2007 and thereafter, all nondefense nontrust fund discretionary spending shall not exceed the previous fiscal year's levels without a two-thirds vote.

Why a two-thirds vote? Something like Katrina comes along, something that is unanticipated, sure, two-thirds of the people may decide we should do something. That is not going to happen very often.

Let me be a little bit partisan because I have heard a statement—not a misquote but certainly taken out of context—one of the Republican Senators saying that all Senators are big spenders; they are all big spenders equally.

Frankly, that just is not right. Yet we do have a solution to this problem. I will show that spending is a partisan issue. This chart shows the Democrat amendments we have seen so far. I can update this. The bottom line is that it is \$530 billion—half a trillion—for these Democrat amendments. They are from Senators BINGAMAN, STABENOW, BYRD, AKAKA, HARKIN, KENNEDY, DAYTON, DORGAN, BIDEN, CLINTON. It goes on and on. These are amendments that were offered. These are amendments that were defeated—most of them. All the amendments were considered. If you add up all those amendments by the Democrats in this Senate, that is what you get—half a trillion. If you carry that out to the end of a 10-year period, it is over \$1 trillion. Those are specific amendments offered.

We stood in the Senate a few minutes ago and listened to several Senators talk about how much more money we should be spending on these programs. We are going to hear it. I am sure tonight and tomorrow we will hear it. Nonetheless, that is a fact. My solution will not get into entitlements. That will be addressed with reconciliation. There are other ways of doing that.

Of course, right now the defense spending will have to stay up because we went down in our defense spending during the 1990s. We have to rebuild the military. We all understand. I believed the primary top functions that should be performed by Government would be national defense and infrastructure.

In the case of infrastructure, that is money people have paid. That is a moral issue. Most people believe that when they pay the high taxes at the pumps, somehow that will get into building roads and repairing roads. It should. Unfortunately, the highway trust fund has been robbed. The aviation trust fund and other trust funds have been robbed. They need to be kept intact.

However, this very simple solution is one that should pass this Senate. Because of a procedural vote, it might be a budget point of order and need 60 votes to pass. However, if you look at what many of my colleagues on the Democrat side have said—Senator BIDEN said specifically on more spending cuts:

If I had designed a deficit reduction plan, I would have done it differently.

Senator DORGAN says that we need to provide spending cuts in a significant manner.

Senator FEINGOLD says:

We also need to continue to cut spending in Federal programs . . .

Senator LEVIN stated how we need to cut spending. The last thing he says in the 1993 reconciliation, the same thing we are talking about today:

Discretionary spending is frozen for 5 years.

He advocated freezing discretionary spending. That is exactly what my amendment does.

It says:

Beginning with fiscal year 2007 and thereafter, all nondefense nontrust fund discretionary spending shall not exceed the previous fiscal year's level without a two-thirds of majority vote.

It is very simple, cut and dry, something that can pass. And there will be a vote on this, whether it is a procedural vote or a vote on the content. I hope those individuals who have a more complicated approach to this will recognize this is something that is doable.

I have had the unfortunate experience this year of trying to find every bill that comes up that is over either the budget or last year's spending, and I have opposed that because this is the only way we will get this back in order.

I recognize this is a time when we are going to have deficits. The American

people understand that. We do know we had a rebuilding job to do in the military. Then along came September 11, and we are in the middle of a war. We have to prosecute this war. Then Katrina and some of the other disasters have taken place. We recognize these are difficult times. This is one area in discretionary spending that we can do something.

I look forward to getting a vote on this.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the chart the Senator has put up here labeled "Democrat spendometer" is a complete fabrication, a total concoction. That chart suggests Democrats have offered amendments costing \$460 billion this year. False. Absolutely false. I know the Senator has borrowed that chart from somebody else. He did not prepare the chart, but he has used the chart, and the chart is wrong.

First, the "spendometer" ignores the fact that many of those Democratic amendments were offset. In fact, because they included additional deficit reduction, the net effect of all Democrat amendments to the 2006 budget resolution would have reduced deficits by \$57 billion. The "spendometer" double-counts Democratic amendments because it treats them as if they were a package instead of offered individually.

Many of the Democratic amendments covered the same subject areas as an earlier amendment that was defeated and would never have been offered if the earlier amendment had been agreed to.

The "spendometer" also overstates the cost of Democratic amendments in the most egregious way—by transferring 1-year amendments into 5-year amendments. That really strains credibility. To convert amendments that were offered for 1 year on an appropriations bill and make them into 5-year amendments in cost is a complete concoction.

The fact is, on the budget resolution, Democratic amendments would have reduced the deficit by \$57 billion; the net cost of Republican amendments was \$79 billion. They would have increased the deficit by \$79 billion.

Our colleague says it is a partisan issue, spending. He is right. During the last Democratic administration, spending went down as a share of gross domestic product. That is, the economists say, the best way to measure it. Spending went down each and every year during the last Democratic administration, from 22 percent of gross domestic production down to 18.4 percent of gross domestic production. Democrats, when they were in charge, cut spending.

Let's look at the Republican record. Here is what has happened under the Bush administration. Each and every year, spending has gone up, with one exception, of the time they have been in control. We went from 18.4 percent the last year the Democrats were in

control, and we are up to 20.2 percent of gross domestic production now that Republicans have been in control.

The story does not end there. The bottom line is what has happened to the debt. When our Republican colleagues took over, the debt of the country was \$5.7 trillion. They have increased the debt each and every year by \$500 or \$600 billion. They have gone from \$5.7 trillion this year. The end of 2005, the debt was up to \$7.9 trillion. Under the budget that is before the Senate now, they will take the debt up to over \$11 trillion. That is the record of our colleagues on the other side. They are in control. They control the House, they control the Senate, they control the White House, and they are leaving this country a legacy of debt, debt, debt.

Here is the reality. When they came in and they took control of everything, the debt of this country was \$5.7 trillion. Today, they have increased it to \$8 trillion. And this is, by the way, when the President said he was going to have maximum paydown of the debt. But look where it is headed. Under the budget in the Senate now, they will raise the debt over the next 5 years to \$11 trillion. This is unbelievable. They are approaching \$6 trillion of added debt while they have been in control, and they are out here claiming that we are the spenders. Hello? We are not in control. They are in control. They are the ones running up the debt. They are the ones running up the debt.

It does not end there. The package they have that they claim is deficit reduction is not deficit reduction. Read all the chapters of the book before you reach a conclusion of what the message is. The message of our friends on the other side is debt on top of debt. The first chapter is the one we have before the Senate now that slices spending a little bit over 5 years. Then we come back, cut taxes more, and add to the deficit. But the third chapter is they will increase the debt limit by \$781 billion for 1 year alone. That brings their 4-year total to over \$3 trillion of added debt. And the budget they have before the Senate, a 5-year budget—these are not my numbers, these are their numbers—they will run up the debt another \$3 trillion.

Here is the bottom line: It took 42 Presidents 224 years to run up \$1 trillion of foreign-held debt. And this President in 4 years has exceeded what 42 Presidents over 224 years had done to the debt of this country.

If they want to start talking about deficits and debt, bring it on. Their record is a record of deficits and debt unparalleled in the history of this Nation. Let me repeat, it took 42 Presidents 224 years to run up a trillion dollars in foreign holdings of U.S. debt. This President has more than doubled it in 4 years.

So I hope every time that "spendometer" chart comes out, they are prepared to listen to this speech all over again because that chart is a complete concoction.

On the Inhofe amendment itself, the Budget Committee has never held a hearing on this amendment. This amendment from the Senator from Oklahoma tries to decide the appropriate level of discretionary funding for years to come; in fact, permanently. This amendment says that an increase in funding over the previous year's level for nondefense, nontrust fund funding would be subject to a two-thirds vote point of order.

Just so our colleagues understand the upshot of this amendment—and I am certain it is well intended—this amendment would seek to freeze funding for homeland security, for veterans health care, for education, for the National Institutes of Health, and many more priorities, and not just for 1 year, but permanently.

Is anybody listening? The Senator's amendment seeks to freeze funding for the Department of Homeland Security, for veterans health care, for education, for the National Institutes of Health, not for 1 year, but permanently. Permanently is a long time.

Sixty-six Senators could support increased funding for our veterans or for homeland security. But it would not be enough under this amendment of the Senator from Oklahoma because he would freeze funding for those functions permanently, unless you could get a two-thirds vote.

We have a point of order in the Congressional Budget Act under section 306 for exactly this reason. This far-reaching change to our system of enforcing spending restraint should not be made without Budget Committee oversight. And it certainly should not be done as part of a fast-track vehicle with limited debate. This amendment clearly and completely violates section 306 of the Congressional Budget Act, and it is not germane. At the appropriate point, I will bring that budget point of order.

Ms. STABENOW. Will the Senator yield?

Mr. CONRAD. At this point, we have to go to Senator NELSON, unless Senator INHOFE has—

Mr. INHOFE. Yes. I want to respond. I thought I had the floor.

Parliamentary inquiry, Mr. President: Do I have the floor?

The PRESIDING OFFICER (Mr. THUNE). The Senator from Oklahoma now has the floor.

Mr. INHOFE. All right. Well, let me do this. I think the Senator from Georgia wants to make a comment. I would like to yield to him. Then I would like to respond to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. I thank the Senator from Oklahoma.

Mr. President, I say, very quickly, I have been sitting here listening to this debate with real interest. My friend from North Dakota, who always makes good, strong, passionate arguments, first, fails to respond to the Democratic spendometer.

All of those are Democratic amendments. Every one of them spends exactly the amount of money the Senator from Oklahoma said it spends. It is half a billion dollars that would have been added to the deficit had Republicans not defeated those amendments.

Secondly, I would say, I guess I get lost in this verbiage sometimes, but here we are, this week, for the first time in 8 years, addressing the issue of spending and trying to reduce spending that has already been committed. It has been a very difficult exercise. As the Senator from North Dakota knows, who serves on the committee I chair, we had a difficult time in the Agriculture Committee coming up with some reasonable reductions in spending. Of course, while he did not vote for any of those reductions in spending, which is going to help the deficit, some Democrats did. At the end of the day, we are going to save \$70 billion. We are going to reduce mandatory spending by \$70 billion.

So I think the Senator from North Dakota has made the argument for the amendment the Senator from Oklahoma has authored by saying if we are serious about cutting spending, let's cut spending. This amendment is going to hold our feet to the fire. This amendment in and of itself does not reduce spending. But the Senator from North Dakota is right; no, it freezes spending. It says we are not going to spend any more money. But if two-thirds of the Members of the Senate say it is OK to spend it, then we will increase spending over the previous year.

That is a pretty dadgum good thought and a novel thought, and I applaud the Senator from Oklahoma for coming up with that. Because if two-thirds of us agree we ought to spend more money, it is probably the right thing to do. But if two-thirds of us do not agree to do it, then it is probably not the right thing to do.

So I think the Senator from North Dakota makes the argument for the amendment of the Senator from Oklahoma. I urge an affirmative vote on it at the appropriate time.

Mr. GRASSLEY addressed the floor.

Mr. INHOFE. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. Who yields time?

Mr. INHOFE. Mr. President, I ask the Senator, would you like me to yield time to you? I am trying to finish this.

Mr. GRASSLEY. Yes.

Mr. INHOFE. Mr. President, I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I get a little tired of people on the other side of the aisle making the point that tax cuts are responsible for the deficit we have, when you consider we inherited a recession from the previous administration, and we had September 11, and because of the catastrophe of September 11, income to our Federal

Treasury went down from \$2.1 trillion to \$1.75 trillion. That went on over a period of 3 years before the economy turned around.

Then, to find fault with the tax cuts of 2001 and 2003, a person no less than Chairman Greenspan said those tax cuts were what turned this economy around. And turning the economy around, we have \$274 billion more coming into the Federal Treasury in the year 2005 than we did in 2004.

And then, especially when you measure deficits by gross national product, our deficit now is less than it was in 1993 under Clinton. Our deficit now is less than it was under Reagan in 1982, and a lot less in the case of 1982.

Now, what I rise for is this: the justification that was made this morning that we are having this reconciliation bill, cutting expenditures, so we can cut taxes. We are not going to cut taxes any more. We have done that in 2001 and 2003. That tax policy is what turned this economy around and brought in \$274 billion more this year than last year, even \$70 billion more in the last 10 months than we estimated back in February would come in this year.

But the case the other side is making that we want to have further tax cuts—if we take no action, what they want to do is have an automatic tax increase. We have a lot of tax provisions that are going to sunset this year. If we do not keep tax policy the way it is, we are going to have a tax increase.

Now, they like to have more money coming in so they have more money to spend. I would like to have somebody on the other side of the aisle tell me how high taxes have to be to be high enough to satisfy their appetite to spend money. I have never heard that. But the fact is, they can have a tax increase and not even have to vote for it. So we have to take action between now and the end of the year to make sure the existing tax policy, that was good for the economy, keeps this economy going, as Chairman Greenspan has given those tax cuts credit for where we are.

I want to tell my colleagues what is going to happen if we do not take action before the end of the year to continue the tax policies that would otherwise sunset, that somehow they do not want us to continue.

Our objective is to preserve current levels of tax relief. These tax increases would occur if my friends on the other side of the aisle—and maybe even an occasional Republican or two—have their way and thwart the reconciliation bill in the process.

First, the tax relief plan continues the hold harmless provision of the alternative minimum income tax. This piece of the plan, the largest, I might add, is worth about \$30 billion to 14 million American families. You can see by this chart, if we do not take action, we are going to have about 5 million middle-income taxpayers paying more taxes next year because they will get

hit by the alternative minimum income tax.

I want to remind everybody that the alternative minimum income tax was meant to hit the very wealthy, who were taking advantage of every tax loophole they could and not paying any tax, that they ought to pay something. But it was never meant to hit middle-income America.

We are going to have in my State of Iowa 65,000 more Iowans pay tax they were never supposed to pay if we do not take action between now and December 31.

Look at all the places where I wish I could think of all the people who have been complaining the most about what we are talking about. But the point is—North Dakota, for instance, I think it ought to be pretty obvious. Do you want 13,364 North Dakotans to pay additional tax if we do not take action before the end of the year?

Mr. CONRAD. No.

Mr. GRASSLEY. Well, I am glad to hear that. But I have heard different rhetoric from the other side. And Michigan is here, if I can find Michigan. We ought to put things in alphabetical order, but it does not matter. It does not matter. You are going to have tens of thousands of people or hundreds of thousands of people paying additional tax if we do not take action.

Now, that is just one provision.

We reduce the capital gains from 20 percent down to 15 percent, and we have been told that is already figured into the stock market. Do we want to let the middle-income taxpayers pay a higher capital gains tax? I do not think so, because there are so many middle-income people now who are investing through their IRAs, through their 401(k)s, that we do not want them to be hit by this.

We have the tax deductibility of college tuition. We have the small savers credit. We have the small business expensing provisions that are going to sunset at the end of the year.

All of these provisions have been bipartisan. Millions of American taxpayers rely on these provisions. Do my friends want to take away the deductibility of college tuition for middle-income Americans that is capped at \$60,000? These people who are sending their kids to college ought to have, beyond December 31 of this year, the ability of taking advantage of that deduction.

We have the small savers credit. Do my friends want to take away the expensing of equipment for small business? I don't think so. But they would lead you to believe that we want to cut taxes for the rich. The plan addresses expiring business and individual provisions that we call extenders. These provisions include the research and development tax credit, State sales tax deductibility, and the deductibility of teachers' out-of-pocket expenses. Do the people who say we are going to give tax cuts to the wealthy consider our teachers, who pay out-of-pocket expenses for the classroom, that they

ought to not have the tax deductibility for that? That is going to end December 31.

Mr. INHOFE. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. INHOFE. I believe the pending amendment is the Inhofe amendment. If I may beg the indulgence of the Senator from Iowa, if I could go ahead and conclude my remarks on my amendment and respond to the Senator from North Dakota, he could go back on the reconciliation bill and finish his remarks.

The PRESIDING OFFICER. The Senator from Oklahoma may reclaim the time that he yielded the Senator from Iowa.

Mr. INHOFE. I don't want to do it unless the Senator from Iowa agrees, because his remarks are excellent. If I could finish, it would be a matter of a couple minutes, and then you could get back on the reconciliation bill, if that would be acceptable to the Senator from Iowa.

Mr. GRASSLEY. Go ahead. You interfered with me. Go ahead.

Mr. INHOFE. Mr. President, let me go ahead and conclude.

First, I have a great deal of respect for the Senator from North Dakota, but I disagree with him. Let me point out a couple of things that I believe are not correct.

The Senator from North Dakota said a lot of these amendments were dealing with the same thing. They are not. If you look at them, each one has a subject matter. They are not dealing with the same thing. Secondly, he said they are offset. I would ask the Senator from North Dakota if he can name one that is offset. You can't because these are not offset. The budget analysts said all of these were not offset amendments. They were amendments that were offered, and they were offered by Democrats. And when you add up all the money that is in these amendments that they have offered—I believe most of these were rejected—it would have been an additional half-trillion dollars. It is very clear they are offered by the Democratic Senators.

I started off my remarks by saying we are in a unique situation now. Fortunately, the recession is behind us now. That is not a factor. But this President had to rebuild a military. Then 9/11 came. He had to get involved in a war. Then we had a couple of disasters that were almost unprecedented. I said at the beginning of my remarks, this is not something we can handle in 1 year or even maybe 2 years. But nonetheless, we have to do something specific to get into this thing and to get this thing done, and there is a way of doing it without overly complicating it. That is my amendment.

I would like to also respond to the Senator from North Dakota in his statement about tax cuts. I agree with the Senator from Iowa; they say over and over again that we want to have tax cuts, as if you are cutting revenues

when this happens. There was a very great President of the United States that was elected in 1960. His name was John Kennedy. John Kennedy, in 1962, said—and these are his exact words; I don't have to read it because I memorized it: We have serious problems in this country. We are going to have to increase revenue. If you want to increase revenue, then you have to reduce marginal rates, and that will happen. He reduced marginal rates and, sure enough, the revenues did increase.

Then along came President Reagan in 1980. President Reagan started the 8-year period that had the greatest marginal rate tax cuts of any 8-year period in the history of America. If you take the total amount of money and add up the marginal tax rates in 1980, it was \$244 billion. In 1990, it was \$466 billion and almost doubled in that decade that was the greatest number of tax cuts in the history of this country. I know Democrats don't like to cut taxes. But you can increase revenue by cutting taxes, we have proven over and over again. It happened after World War I. It happened during the Kennedy administration. It happened during the Reagan administration, and it has already happened during the Bush 2 administration.

We can sit around and talk about these things. The bottom line is, if we want to do something about it, there is going to be a vote. You will have a chance to register your belief as to whether or not you want to do something about the deficit. It has already been suggested there will be a budget point of order. That is fine with me. That means there has to be 60, instead of a majority, to get it passed. At least at that time, when that vote takes place, the American people will know who in this Chamber is serious about reducing the deficit, about cutting spending.

With that, Mr. President, that is the argument I make on my amendment. I look forward to getting a vote at the appropriate time, whether it is a vote on my amendment or a vote on a budget point of order.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the very able Senator from Oklahoma has asked me for a list of the amendments that were offered on the Democratic side that were offset. He asked me to name one.

Mr. INHOFE. Up here.

Mr. CONRAD. Yes, from that list. I won't name one. I will name 10. The Bingaman amendment on education, completely and totally offset; the Stabenow amendment on first responders, completely and totally offset; the Byrd amendment on Amtrak, completely offset; the Akaka amendment on veterans, completely offset; the Harkin amendment on education, completely offset; the Kennedy amendment on education, completely offset; the Dayton amendment on IDEA, completely off-

set; the Dorgan amendment on tribal programs, completely paid for; the Biden amendment on COPS, completely paid for; the Byrd amendment on transit highway, completely paid for, offset.

That chart is a total and complete concoction and fabrication. These are budget resolution matters I have talked about where the combined effect of Democratic amendments was to reduce the deficit \$57 billion because they were offset.

In addition, what that chart does is, it takes on appropriations bills amendments that were offered for 1 year, and our friends on this chart have multiplied them into 5-year amendments. They weren't 5-year amendments. They were 1-year amendments. Appropriations bills are for 1 year, not for 5 years. They have taken them and multiplied them by 5. That is false.

Beyond that, those amendments were not offered as a package. They were offered individually. So they would offer an amendment. The amendment was defeated. The money was still available for a different amendment. To then add them up and multiply it by 5 and forget about the offsets and put out a chart here on the Senate floor that suggests that is a fair representation is way beyond the pale.

Mr. INHOFE. Will the Senator yield? First of all, I did yield the floor. I don't have the floor anymore. But I am not going to be able to stay. I would like to respond to some of the things you have said as you progressed further. Would you yield to allow me to do so?

Mr. CONRAD. I would.

Mr. INHOFE. I appreciate that very much. First of all, I have been told by the budget analysts that, in fact, they were not offset. Some of them proposed tax increases. You could call that an offset. I don't. That is increasing taxes to do it.

We are getting off center from the purpose of my amendment. My amendment does something specifically that you can't argue against. You are either for or against it. As I look at these, these are specific amendments. It shows the amount, what the amendment does, and the years that would be affected. So it is true that that would be over a 5-year period because that is what the amendment was for. But if you take that on to the end of it—

Mr. CONRAD. Will the Senator yield?

Mr. INHOFE. You are yielding to me. Let me finish here. It would actually be over \$1 trillion, if you carried it out to the end of a 10-year period. I understand what you are saying about 1 year, and that is fine.

Mr. CONRAD. There is no merit to that chart. There just isn't.

Mr. INHOFE. These are all specific amendments.

Mr. CONRAD. I have the floor now, Senator. Let's be factual here. That chart is a complete concoction. That is all there is to it. That takes amendments that were offered for 1 year, multiplies them by 5, doesn't count the

offsets. In the budget resolution, we offset our amendments. We paid for them. That is an offset. When you pay for things around here, that is an offset. I know that is a new idea around here, but that is what we are offering in our amendment, pay-go. We say, you can have new tax cuts. The Senator from Iowa says, we are going to kill all the tax cuts. No, we are saying if you want more tax cuts, you have to pay for it. If you want more spending, you have to pay for it. That is what pay-go is about. That is what Democrats have offered in this fight. We have offered the pay-go amendment. It used to be in place. We used to have it. We used to have that authority. We used to have that budget discipline. If you want to have new tax cuts, pay for them. If you want new spending, pay for it.

In addition to the fact that I listed 10 amendments that were offset that don't show up on their chart as offset, that chart is false on every single one of those amendments. In addition to that, they have taken 1-year appropriations amendments and multiplied them into 5-year amendments. Please, those weren't our amendments. Those are a concoction of what our amendments were.

I hate to say this, but our friends have lost sight of the fact that they are in control. These deficits and debt didn't skyrocket under our watch. Our friends control the White House. They control the Senate. They control the House of Representatives. They have since 2000. And the debt of the country has gone up from \$5.7 trillion to \$7.9 trillion. And under the budget that is being considered—and this legislation is part of that package—it is going to go up to \$11 trillion.

They have raised the debt of this country in 6 years by almost \$6 trillion. It wasn't Democratic spending because your side has been in control. Every dime of this spending occurred on your watch. Every dime of this increase in debt is your responsibility. These have been your budgets. These have been your plans. These are your deficits and your debt. You have stacked it up on the American people. I repeat: It took 42 Presidents, 224 years to run up a trillion dollars of external debt, debt held by foreign countries, foreign investors. This President has exceeded it, exceeded a trillion dollars of additional external debt, debt held by foreigners. This President exceeded it in 4 years.

Mr. INHOFE. Will the Senator yield?

Mr. CONRAD. I will not. What has been added to the debt of this country will weigh us down for years to come, and this is debt added by our friends on this side of the aisle. Every dollar of spending that has occurred has been spending that they voted for, that they supported.

I now yield 10 minutes to the Senator from Michigan off the amendment.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. I thank the Chair. I thank my colleague and esteemed lead-

er, our ranking member on the Budget Committee.

I rise this evening to oppose the amendment of my friend from Oklahoma, as well as the entire budget resolution that is in front of us.

Together, America can do better than this budget and this amendment. Basically, what the amendment is saying is, if we want to invest in education so every child has the opportunity to succeed in America, we wish to create greater opportunity, it would take 67 votes. If we want to provide another tax cut for those most blessed in this country, those doing most well, the best of anyone in terms of their financial situation, that would take 51 votes. If we want to invest in science and new cures for Alzheimer's and Parkinson's and diabetes, it would take 67 votes. If we wish to give to those most blessed with resources in our country a tax cut, it would take 51 votes.

That is the wrong set of priorities for our country. I support tax cuts certainly. I sponsored and worked with colleagues on both sides of the aisle to add a new tax cut for manufacturers so if they create jobs in the United States they have a lower tax rate than if the jobs and business go overseas. Certainly, we agree together that the alternative minimum tax needs to be fixed so middle-class families are not impacted by something that was put into play to affect only those who are the most wealthy from avoiding all taxes.

We could go down the list of things that we support on a bipartisan basis. But where we differ is where we have gone in this country under a failed set of values and priorities.

And this amendment only makes that worse. We can do better than that. Our Nation's budget is designed to reflect the values and priorities of our great country. It is essentially our country's values document. I believe this budget does not honor our Nation's values, and it has the wrong priorities for our country.

I believe this amendment does the same, again, saying if we wish to invest in the health of the country, if we wish to help manufacturers who, in my great State, desperately need our help by changing the way we finance health care in this country, that would take 67 votes. But if we wish, instead, to provide another round of tax cuts to those who are most blessed in this country, that takes 51 votes. That is the wrong set of values and the wrong set of priorities, and we can do better than that in America.

As Americans, we believe we should leave a better future for our children and our grandchildren. The American people expect us to make tough choices, just like they do around their kitchen tables every day, trying to balance the budget. In my home State people are not sure if they are going to have a job, what the pay is going to be, are they going to have their pension, are they going to have to pay more for

health care. They are having to make the toughest decisions every day. They expect us to be responsible and make the tough decisions we need to make.

We do this because we don't want our children to have to pay for our debts. That is why we make tough decisions. Parents across the country work hard enough to build a nest egg for their children so they can have a better life than we have had as their parents. We want that. My great concern is that we are losing that for our children. I believe we are in a fight for our way of life in this country and nothing less. And the budget documents in front of us only make that worse, only add to the race to the bottom too many of our families are feeling.

This budget we are considering in two separate reconciliation bills will actually increase the deficit, not reduce it—increase it by \$31 billion. America expects us to do better than that. Most Americans might wonder why are we increasing the deficit when we already have the largest deficit in the history of the country. We are fighting wars in Afghanistan and Iraq, and we must help to pay for the rebuilding of the gulf coast for all of those who have lost so much. Since 2001 when we had the largest surplus in history, we have taken a fiscal U-turn, and now we have the largest deficit in history, putting us back in the days of gloomy fiscal policies in the 1980s and early 1990s.

It is important to know there was a choice at that point, as our leader and our side of the aisle has indicated. When I started in the Budget Committee in 2001, we had the largest budget surplus in the history of the country. We had two choices. We could do what we were proposing at the time: take a third of that for stimulating investment in jobs, take a third of that in tax cuts to spur the economy, a third of that for strategic investments to spur the economy through education, innovation, to also spur the economy, and a third of that we wanted to put aside to pay down the debt and to keep Social Security secure. Instead, what happened. Our Republican colleagues rejected our approach, and now we have the largest deficits in the Nation's history due to the fact that all of it was put into a supply-side economics tax cut geared to the wealthiest among us at the expense of all of the rest of America.

Mr. President, these deficits are not free lunches. We have to pay them year by year. And how are we paying for them? Well, we are borrowing billions of dollars from Japan and China. Right now, Japan and China hold almost \$1 trillion, \$1 trillion of our national debt. And it is growing each and every year. Not only do taxpayers have to pay interest to China and Japan, our Government has refused to crack down on unfair trade practices with these two countries because we are so far in debt to them. I can tell you, coming from the great State of Michigan, our administration's unwillingness to crack

down on trade violations, currency manipulation, counterfeit auto parts, and stealing our patents has had a profound impact on our losing jobs in Michigan. They are all related because of our policies in terms of the national debt affecting our inability to, in fact, enforce trade violations.

We can do better than that. Together, America can do better than this. We can get our fiscal house in order and get tough with our trading partners who are not playing by the rules. The reconciliation bill, unfortunately, though, will hurt working families in Michigan. For seniors who have worked hard their entire lives, they will see their most basic services cut. For some working single-parent families, they will see their health insurance cut. For hard-working family farmers, their livelihoods will be put in jeopardy.

With so many working families losing health insurance or paying more for less, is this a good time to be cutting Medicare and Medicaid, our Nation's health insurance programs for seniors and children? We can do better than that.

Also, given all the economic problems hurting our rural communities, including a terrible drought in Michigan, is this a good time to cut programs that help our farmers? Is now the time to force farmers who are struggling into bankruptcy? We can do better than that.

This budget's priorities are so different than those of Michigan families. Michigan families want us to fight for good-paying jobs, for affordable health care, and for a secure pension. In essence, they want us to fight to preserve their way of life, the middle class of our country, where they can raise their kids, send them to college, get quality health care, retire with dignity after 30 or 40 years of hard work, and know that pension is going to be there along with Social Security.

Mr. President, America can do better than this document and this amendment. If we make the right budget choices, we can expand health insurance for working families and lower costs. We can create jobs, protect pensions, bring down the deficit if we make better budget choices.

As my colleagues know, our Nation's largest auto parts manufacturer, Delphi, declared bankruptcy 3 weeks ago, threatening 13,000 jobs in Michigan and 35,000 jobs nationwide. Its workers may not only lose their jobs, they will lose their health care and their pension; in other words, everything they have worked for for their entire lives, everything they have earned, everything they are counting on for themselves and their families. Tragically, this budget package does nothing for them. It increases the deficit, which hurts our economy, gives Japan and China the upper hand in trade negotiations, cuts health care, and does nothing to protect people. That is why I intend to vote no on this budget and on the

amendment. I will continue to fight for Michigan's families who are struggling every single day, and I believe it is not just Michigan families struggling now but American families all across our great country.

I worry about whether their way of life is going to continue to exist. They want a change. They know we can do better than this.

They know this budget debate really is a proxy for a larger philosophical debate, a larger choice on values and priorities.

The Republican approach to governing is that you are on your own—no matter what the issue.

We believe that all families need jobs, health care, quality schools and a secure pension.

The Republican approach is that you are on your own.

If you lose your job, you are on your own. If your Medicare premiums rise 13 percent, you are on your own. If your schools are not performing well, you get a school voucher. And if your pension is threatened, you can try to get some of it back from the PBGC.

Mr. President, America can do better. Together, we can create good jobs, maintain our middle class way of life and get our country back on track.

But this budget will take us in the wrong direction.

I urge my colleagues to oppose it. The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I think the time has expired on our side. I am prepared to yield back. Things are getting a little redundant. I stand by this chart. I have a friendly disagreement with my good friend from North Dakota. I do agree that there are some offsets with tax increases. I do not consider that something that we should be embracing. There are still spending increases, budget increases, and we need to do something about it now.

I would say this: If the reverse were true, and if all of the amendments to increase the deficit came from the Republican side, I would still introduce this amendment.

I am going to yield back so that my friend from Florida can take up his amendment because he is next in line. But I would say this: Even if it were done on this side of the aisle as opposed to that side of the aisle, I would still say we have to do something for my 12 grandkids, and that is really get a handle on this.

My amendment is good. There are all kinds of people endorsing it. The National Taxpayer's Union is supporting my amendment. I am going to read it one more time and then I am going to yield back the remainder of my time and there will be a vote on it.

Beginning with fiscal year 2007 and thereafter, all nondefense, non-trust-fund, discretionary spending shall not exceed the previous fiscal year's levels . . . without a two-thirds vote of Members duly chosen and sworn.

With that I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I understand now we go to Senator NELSON's amendment. I understand he needs about 10 minutes. I would suggest that Senator NELSON have until 5 of 8. We are going to wrap up at 8. And then I have the 5 minutes from 7:55 to 8 o'clock to respond to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object, I don't want to get frozen out of this time situation. If the Senator is saying that—

Mr. GREGG. We are giving your side 12 minutes, and I am getting 5 minutes. It does not sound to me that you are getting frozen out.

Mr. CONRAD. This Senator may be frozen out, and this Senator is going to object unless he is not frozen out. I am happy to go to Senator NELSON. Why don't we let him go and then see where we stand at the end. But I am not going to enter into an agreement that would not permit me to answer if I felt something required an answer.

AMENDMENT NO. 2357

Mr. NELSON of Florida. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. NELSON], for himself and Mr. KERRY, Ms. CANTWELL, Mrs. MURRAY, Mr. REID, and Mr. KENNEDY, proposes an amendment numbered 2357.

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

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

The amendment is as follows:

(Purpose: To hold Medicare beneficiaries harmless for the increase in the 2007 Medicare monthly part B premium that would otherwise occur because of the 2006 increase in payments under the physician fee schedule)

On page 268, between lines 10 and 11, insert the following:

(d) PREMIUM TRANSITION RULE.—

(1) 2006.—

(A) PREMIUM.—Nothing in this section shall be construed as modifying the premium previously computed under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2006.

(B) GOVERNMENT CONTRIBUTION.—In computing the amount of the Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2006, the Secretary of Health and Human Services shall compute and apply a new actuarially adequate rate per enrollee age 65 and over under section 1839(a)(1) of such Act (42 U.S.C. 1395r(a)(1)) taking into account the provisions of this section.

(2) 2007.—

(A) PREMIUM.—The monthly premium under section 1839 of the Social Security Act (42 U.S.C. 1395r) for months in 2007 shall be computed as if this section had not been enacted.

(B) GOVERNMENT CONTRIBUTION.—The Government contribution under section 1844(a) of the Social Security Act (42 U.S.C. 1395w(a)) for months in 2007 shall be computed taking into account the provisions of this section, including subparagraph (A).

(e) EXTENSION OF PRESCRIPTION DRUG DISCOUNTS TO ENROLLEES OF MEDICAID MANAGED CARE ORGANIZATIONS.—

(1) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended—

(A) in clause (xi), by striking “and” at the end;

(B) in clause (xii), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(xiii) such contract provides that payment for covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the entity shall be subject to the same rebate agreement entered into under section 1927 as the State is subject to and that the State shall have the option of collecting rebates for the dispensing of such drugs by the entity directly from manufacturers or allowing the entity to collect such rebates from manufacturers in exchange for a reduction in the prepaid payments made to the entity for the enrollment of such individuals.”

(2) CONFORMING AMENDMENT.—Section 1927(j)(1) (42 U.S.C. 1396r-8(j)(91)) is amended by inserting “other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1903(m) that meets the requirements of paragraph (2)(A)(xiii) of that section” before the period.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r-8) on or after such date.

Mr. NELSON of Florida. Mr. President, we reach a major watershed point now as we consider the budget, for contained in this budget is an increase of \$1 billion required of senior citizens in the payment of their Medicare Part B premiums. This amendment that I am proposing cuts out that increase and offsets it. I am pleased to be joined by a number of colleagues who have cosponsored this amendment. Senator KERRY had wanted to speak on it, and it is my understanding that he is not here at this late hour, but he may speak later.

This is an amendment to protect seniors from these drastic increases in their Medicare Part B monthly premiums.

I thank all the Senators who have worked with me on this amendment. What our senior citizens are facing is when they pay a monthly premium, when they enroll in the Part B premium, that premium covers physician care, home health care, skilled nursing services, physical therapy, and other services. There are 42 million people in this country who are Medicare beneficiaries. Three million of them are in Florida. They are legitimately concerned about the growing out-of-pocket health care expenses. Why should they be? Let's look at history.

Over the past 3 years, the part B beneficiary premium has increased 50 percent. In 2006, the premium will increase by another 13 percent, to \$88.50 per month. That represents a \$10.30 increase over last year's monthly premium.

Our seniors simply cannot afford another premium increase on their fixed incomes. If anybody doubts what I am

saying, remember gasoline used to be \$1.50. Gasoline has approached \$3. We have senior citizens in my State and all of the States who cannot afford to drive to the doctor anymore because they are on a fixed income. And now this bill would tack on an additional billion dollars more in Part B premiums.

This Senator does not believe that at this particular time seniors should bear this burden of another billion dollars in spending out of their pockets. I believe we should and I believe we can fix the physician payment rate without increasing the Part B premiums.

Another part of this reconciliation bill gives physicians a 1-percent payment update in 2006. This would avert what would be very unfortunate for physicians—a 4.3-percent cut under the sustainable growth rate formula used to update physician payments. I have supported and I continue to support improving the reimbursement rates for Medicare providers, including physicians. Without action in this area, we are going to continue to see individuals and communities underserved because no quality providers, including physicians, are going to be available to offer these services if they keep getting cut.

However, when the cost of physician care goes up, the Medicare Part B premium under the law must rise to cover it. Any change Congress makes to increase physician payment rates under reconciliation will be reflected in a beneficiary premium for senior citizens for Medicare Part B in 2007.

Under the current law, if the physicians are going to get the increase instead of a cut, that means that in order to pay that under the current law, the senior citizens are going to have to increase their Part B Medicare premium payments by approximately \$1 billion. In response, what we are offering to do in this amendment is protect our seniors, for this amendment would exclude from the Part B premium the cost of the reconciliation package payment increase for physicians. Senior citizens would be held harmless from the effect of the reconciliation package and would, therefore, not see an increase in their premiums due to this physician fix, and it is going to keep the physician fix in place by increasing their reimbursements.

This amendment is revenue neutral. How is it paid for? Where is the offset? It is paid for by negotiating lower prescription drug prices for Medicaid's HMOs. This amendment would help to ease the financial burden on our parents and grandparents without harming the physicians who serve them.

We have to look out for these grandparents and parents who are on fixed incomes. I hope we are going to get some bipartisan support. I urge all of our colleagues to join me in this effort to protect our Nation's senior citizens.

Mr. President, I have been waiting for quite a while to offer this amendment. I said that I was going to be less than 10 minutes. I am happy to con-

clude in less than 10 minutes, but the import of this amendment is far beyond the time I have used to offer the amendment tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I appreciate the Senator from Florida being concise in presenting this amendment. I thank him for that and for sticking with the time as was represented. It was appropriate and generous of him.

The amendment, obviously, has an impact on the deficit. It would expand it. As a practical matter, it really has to be put in the context of the overall Medicare adjustments in this bill and in other bills because under the new drug program, seniors will actually see a significant discount. They will save about \$5 on their prescription drugs over what was expected.

The Part B premium increase which will occur as a result of this bill will be \$1.60. It seems more than reasonable to have structured an agreement where we will essentially allow patients to see doctors because we will be giving them the opportunity to see doctors because the doctors will actually participate in the system, whereas they might well opt out if we cut their pay by 4.3 percent.

Under this bill, of course, we avoid that because the Finance Committee has put together a package which allows us to basically hold doctors harmless. It is reasonable that seniors—we are not talking about low-income seniors here because their entire Part B premium is picked up by the Government. We are talking about middle and high income. Not to pick anybody specific, but Bill Gates's father, who is probably doing very well, or my mother, for example, has a right to the Part B premium and, therefore, is subsidized by working Americans, people who are in day-to-day jobs, to the tune of 75 percent. It is reasonable that we ask seniors to participate in the Part B premium, as they get the benefit of it, to the extent of 25 percent. This bill simply continues that process while making sure seniors will have access to doctors by basically supporting the initiatives of holding doctors harmless from a pay cut.

The underlying bill has some very positive spending initiatives, and one of them happens to be giving more access to more patients who are under Medicare. So I believe we should be supporting this amendment rather than offering amendments which will essentially undermine this effort.

Mr. NELSON of Florida. Mr. President, will the Senator yield on this point?

Mr. GREGG. I will be happy to yield for a question.

Mr. NELSON of Florida. I will put it in the form of a question. Will the Senator be surprised to know that instead of it being \$1.80, it is more like a \$3-

per-month increase in the Part B premium for seniors, on top of the 18-percent increase that is, in fact, going to be added just in this present year?

Mr. GREGG. I would be surprised to know that because, as I understand it from staff, the estimate, as by CMS, is \$1.68. But I guess we can turn to the record and find that out. You may be right, CMS may be right.

In any event, the number seems to be reasonable in the context of the benefit being received, which is seniors are being asked to pay for 25 percent of the Part B, which is not a great deal compared to what Americans who are working are being asked to pay, which is 75 percent of that.

Mr. NELSON of Florida. Will the Senator yield for another question?

Mr. GREGG. Certainly.

Mr. NELSON of Florida. Given the fact that there are 42 million seniors who would be affected, would the Senator be surprised to know that this is a total of \$1 billion that will come out of the pockets of seniors by the increased Medicare Part B premiums?

Mr. GREGG. I would presume the seniors are going to have to pay some of the cost of the Part B premium. As I said before, they are paying 25 percent of it. As I note, working Americans are being asked to pay tens of billions of dollars to support that benefit. In many instances, seniors who are receiving the benefits are moderate- and high-income seniors who have higher incomes than those working Americans who are working at a restaurant as servers or who are working on a factory line or working at a garage or who are working in maybe even a minimum wage job and are being asked to bear the burden of the HI insurance costs.

So it does seem reasonable and I think most seniors view it as reasonable that they pay 25 percent of the cost of their Part B premium. Yes, that adds up, if you take all the seniors in America—there are a lot of them—to a fairly significant number. So I would agree with that.

Mr. NELSON of Florida. Will the Senator yield for a final question?

Mr. GREGG. I will yield for a final question.

Mr. NELSON of Florida. Since this Senator was disciplined in his comments as promised, would the Senator be surprised that this amendment causes no increase in the Part B premium to senior citizens by offsetting what would be the enhanced payment to drug companies under the Medicaid increase that is going to the drug companies when they go over to HMOs from the current law that holds the drug companies to a discounted rate?

Mr. GREGG. In response to the Senator, the practical effect of what the Senator is proposing is to change a contractual agreement which the drug companies have already entered into. The basic effect of that would mean probably you would have fewer people willing to participate in the system and, as a result, seniors would have

fewer choices. And I suspect that the practical effect, if the Senator's amendment were to go forward, is that the seniors would have fewer choices.

One of the few advantages of the Part D program, which I still am not all that enamored of, is that it is giving seniors a variety of choices in their drug benefit. As seniors become more educated as to what those options are, they are going to be impressed that there are so many options on the table, and they can tailor their pharmaceutical needs to the options available to them. If you change the contractual agreements which encourage people to offer that type of opportunity, you obviously are going to undermine the number of options that would be available, in my opinion.

Mr. GRASSLEY. Mr. President, this bill includes a 1.0 percent payment update to physicians for 2006. This was done to maintain beneficiary access to physician services. After all what good are Medicare benefits if you can't get in to see a doctor.

Within the bill, the impact on the part B premium is calculated based on all the provisions that affect Part B. This amendment would only hold the beneficiary harmless from the impact caused by the physician update.

Other provisions included in the bill would increase Part B spending and there are other provisions that decrease Part B spending—so why should we single out physicians?

In June, Senator BAUCUS and I sent a letter to the Office of Management and Budget calling for removal of Part B drugs from the physician payment formula. This letter was signed by 87 additional Senators from both sides of the aisle. If the administration were to remove Part B drugs from the formula—it would also increase the Part B premium over a number of years.

This letter did not suggest the need for a hold harmless. I wanted to point this out to my colleagues who supported this letter.

Some may feel that the Medicare drug premiums along with the Medicare part B premium may be a significant cost burden to beneficiaries. However, CMS recently announced that Medicare drug premiums will be lower than expected. The average monthly premium will be \$32.20. That is \$5 less per month than previously estimated.

Even if the part B premium is increased in 2007, the increase is nothing close to the \$5 saved in the prescription drug premiums. And keep in mind that the part B premium increase does not affect low-income beneficiaries. Their premiums are paid for by the government. In fact, I worked hard to extend the QI program so Part B premiums would be covered. Currently, 16 percent of beneficiaries enrolled in Part B receive this assistance and more are eligible.

In addition, a MedPAC survey issued earlier this year found that 22 percent of beneficiaries already had trouble getting an appointment with a new pri-

mary care physician and 27 percent reported delays in getting an appointment. Payment cuts to physicians will only make these existing access problems worse.

I am also opposed to the provision used to pay for this amendment.

Regarding Medicaid MCO rebate, this amendment would in effect increase the rebate paid by drug manufacturers by making the rebate available to Medicaid managed care plans.

The bill we are considering today increases the rebate paid by drug manufacturers to States through the Medicaid program to 17 percent. The bill also closes a pair of loopholes that have the impact of increasing the rebate.

First, we require the best price of an authorized generic to be considered in the brand name drug's best price calculation. That will have the effect of increasing the rebate.

Second, we require physicians to notify the State Medicaid program of what drugs the physician administers in the office. Under current law, States are permitted to collect rebates on the drugs but nothing in statute requires physicians to disclose that information. As a result, States miss out on the appropriate rebate.

When all these policies are taken into consideration, we have increased the rebate paid by drug manufacturers by \$1.7 billion.

Now I understand my colleague might not think that's enough, but I would encourage you to look at a CBO report put out this past June examining the price of name brand drugs. That report shows that the effective rebate being paid by drug manufacturers is actually 31.4 percent not 15 percent.

I am also concerned about the substantive implications of your offset. These Medicaid health plans are private businesses that can negotiate low drug prices. I think it runs contrary to the policy this committee passed in the MMA to allow the plans to negotiate the best deal they can get and then give them a rebate on top of that.

Yes, I do realize the Medicaid Commission accepted your offset in its recommendation, but I am quite certain the Medicaid Commission stamp of approval would not win your support for other proposals we could be considering today. We have looked at this area and come up with responsible policy that addresses loopholes. I don't think we need to further increase the rebate beyond what is already included in the bill.

Therefore, I urge my colleagues to oppose the amendment and the offset that funds it.

MORNING BUSINESS

NEVADA DAY

Mr. REID. Mr. President, I rise to commemorate an important day in Nevada's history. One hundred and forty-