Protection, Reconstruction and Recovery Fund to provide assistance to coastal states for coastal conservation, mitigation and resource protection activities, or other purposes, based on the allocation formula provided in Section 31 of the Outer Continental Shelf Lands Act that is funded $10 billion from the following sources or any combination of funds thereof—

(A) Receipts deposited into the Digital Television Transition and Public Safety Fund that exceed estimates of the Congressional Budget Office for the Deficit Reduction Act of 2005 at the time of enactment;

(B) Receipts (including bonus bids, rents, royalties, and payments associated with royalties in kind) from the Arctic National Wildlife Refuge, if the Committee on Energy and Natural Resources of the Senate reports a bill, and such measure is enacted, to establish oil exploration and production in the Arctic National Wildlife Refuge;

(C) Receipts equal to the amount of receipts received by the United States government attributable to offshore energy production (including bonus bids, rents, royalties, and payments associated with royalties in kind) for each year that exceed estimates of the Congressional Budget Office as of March 16, 2006; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget of the Senate may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3165) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

UNANIMOUS CONSENT AGREEMENT

Mr. GREGG. Mr. President, I ask unanimous consent that after the passage of the budget—I like that—the Senate proceed to executive session and proceed to two consecutive votes on the confirmation of the following judicial nominations on the Executive Calendar: Calendar No. 547, Jack Zouhary to be United States District Judge for the Northern District of Ohio; and Calendar No. 548, Stephen G. Larson to be United States District Judge for the Central District of California; further, that prior to the first vote the two Senators from Ohio be given 1 minute each, and prior to the second vote the Senators from California be given 1 minute each; that following these votes the President be immediately notified of the Senate's action and the Senate then resume legislative session.

Mr. LEAHY. Mr. President, reserving the right to object, is time also reserved before each vote for the chairman of the Judiciary Committee and ranking member?

Mr. GREGG. There was not. But I will be happy to ask for that.

Mr. LEAHY. One minute each prior; and I wonder if the distinguished Senator from New Hampshire would be willing to amend his unanimous consent to make it in order to ask for the yeas and nays at this point on both votes.

Mr. GREGG. I have no objection.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered en bloc.

AMENDMENTS NOS. 3031, 3089, 3170, AND 3171, EN BLOC

Mr. GREGG. Mr. President, I ask unanimous consent that the following amendments be considered en bloc and that the motions to reconsider be laid upon the table: A Levin amendment relative to ATP; a Salazar amendment relative to the LWCF. I further ask unanimous consent that the following amendments which have not been filed be considered and agreed to en bloc, and the motions to reconsider be laid on the table: A Conrad-Gregg amendment on tax cap; and a Gregg-Conrad amendment for Senator BYRD on mine safety.

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

The amendments were agreed to, as follows:

AMENDMENT NO. 3031

(Purpose: Provide funding for the Advanced Technology Program to help ensure America's competitive advantage and fully offset with reductions in function 920)

On page 15, line 21, increase the amount by $140,000,000.

On page 15, line 22, increase the amount by $21,000,000.

On page 16, line 1, increase the amount by $98,000,000.

On page 16, line 5, increase the amount by $21,000,000.

On page 27, line 23, decrease the amount by $140,000,000.

On page 27, line 24, decrease the amount by $21,000,000.

On page 28, line 2, decrease the amount by 98,000,000.

On page 28, line 5, decrease the amount by $21,000,000.

AMENDMENT NO. 3089

(Purpose: Restore $100 million to the Land and Water Conservation Fund Stateside Grant Program. Paid for by closing corporate tax loopholes)

On page 3, line 13, increase the amount by $25,000,000.

On page 3, line 15, increase the amount by $30,000,000.

On page 3, line 17, increase the amount by $30,000,000.

On page 3, line 19, increase the amount by $10,000,000.

On page 3, line 21, increase the amount by $5,000,000.

On page 4, line 1, increase the amount by $25,000,000.

On page 4, line 2, increase the amount by $30,000,000.

On page 4, line 3, increase the amount by $30,000,000.

On page 4, line 4, increase the amount by $10,000,000.

On page 4, line 6, increase the amount by $5,000,000.

On page 4, line 13, increase the amount by $100,000,000.

On page 5, line 4, increase the amount by $25,000,000.

On page 5, line 6, increase the amount by $30,000,000.

On page 5, line 8, increase the amount by $30,000,000.

On page 5, line 10, increase the amount by $10,000,000.

On page 5, line 12, increase the amount by $5,000,000.

On page 13, line 21, increase the amount by $100,000,000.

On page 13, line 22, increase the amount by $25,000,000.

On page 14, line 1, increase the amount by $30,000,000.

On page 14, line 5, increase the amount by $30,000,000.

On page 14, line 9, increase the amount by $10,000,000.

On page 14, line 13, increase the amount by $5,000,000.

On page 53, line 1, increase the amount by $100,000,000.

On page 53, line 2, increase the amount by $25,000,000.

AMENDMENT NO. 3170

(Purpose: To provide an additional $500 million to enhance the ability of the Internal Revenue Service to collect taxes owed but not paid voluntarily)

On page 4, line 13, increase the amount by $363,000,000.

On page 5, line 4, increase the amount by $340,000,000.

On page 5, line 6, increase the amount by $14,000,000.

On page 5, line 8, increase the amount by $9,000,000.

On page 5, line 19, decrease the amount by $340,000,000.

On page 5, line 21, decrease the amount by $14,000,000.

On page 5, line 23, decrease the amount by $9,000,000.

On page 6, line 8, increase the amount by $340,000,000.

On page 6, line 10, increase the amount by $354,000,000.

On page 6, line 12, increase the amount by $363,000,000.

On page 6, line 14, increase the amount by $363,000,000.

On page 6, line 16, increase the amount by $363,000,000.

On page 6, line 22, increase the amount by $340,000,000.

On page 6, line 24, increase the amount by $354,000,000.

On page 7, line 2, increase the amount by $363,000,000.
On page 7, line 4, increase the amount by $363,000,000.
On page 7, line 6, increase the amount by $363,000,000.
On page 25, line 24, increase the amount by $363,000,000.
On page 25, line 25, increase the amount by $340,000,000.
On page 26, line 4, increase the amount by $14,000,000.
On page 26, line 8, increase the amount by $9,000,000.
On page 53, line 1, increase the amount by $137,000,000.
On page 53, line 2, increase the amount by $128,000,000.
On page 55, line 13, strike $274,000,000 and insert $500,000,000.

AMENDMENT NO. 3171

(Purpose: To provide $184 million over five years for the Mine Safety and Health Administration to hire additional mine safety inspectors)

On page 4, line 13, increase the amount by $37,000,000.
On page 4, line 15, increase the amount by $38,000,000.
On page 4, line 17, increase the amount by $41,000,000.
On page 4, line 19, increase the amount by $43,000,000.
On page 4, line 21, increase the amount by $46,000,000.
On page 5, line 4, increase the amount by $33,000,000.
On page 5, line 6, increase the amount by $37,000,000.
On page 5, line 8, increase the amount by $40,000,000.
On page 5, line 10, increase the amount by $42,000,000.
On page 5, line 12, increase the amount by $45,000,000.
On page 5, line 19, decrease the amount by $33,000,000.
On page 5, line 21, decrease the amount by $37,000,000.
On page 5, line 23, decrease the amount by $40,000,000.
On page 5, line 25, decrease the amount by $42,000,000.
On page 6, line 2, decrease the amount by $45,000,000.
On page 6, line 8, increase the amount by $33,000,000.
On page 6, line 10, increase the amount by $70,000,000.
On page 6, line 12, increase the amount by $110,000,000.
On page 6, line 14, increase the amount by $152,000,000.
On page 6, line 16, increase the amount by $197,000,000.
On page 6, line 22, increase the amount by $33,000,000.
On page 6, line 24, increase the amount by $70,000,000.
On page 7, line 2, increase the amount by $110,000,000.
On page 7, line 4, increase the amount by $152,000,000.
On page 7, line 6, increase the amount by $197,000,000.
On page 19, line 24, increase the amount by $36,000,000.
On page 19, line 25, increase the amount by $32,000,000.
On page 20, line 3, increase the amount by $36,000,000.
On page 20, line 4, increase the amount by $35,000,000.
On page 20, line 7, increase the amount by $37,000,000.
On page 20, line 8, increase the amount by $36,000,000.
On page 20, line 11, increase the amount by $37,000,000.
On page 20, line 12, increase the amount by $36,000,000.
On page 20, line 15, increase the amount by $38,000,000.
On page 20, line 16, increase the amount by $37,000,000.
On page 26, line 24, increase the amount by $1,000,000.
On page 26, line 25, increase the amount by $1,000,000.
On page 27, line 3, increase the amount by $2,000,000.
On page 27, line 4, increase the amount by $2,000,000.
On page 27, line 7, increase the amount by $4,000,000.
On page 27, line 8, increase the amount by $4,000,000.
On page 27, line 11, increase the amount by $6,000,000.
On page 27, line 12, increase the amount by $6,000,000.
On page 27, line 15, increase the amount by $8,000,000.
On page 27, line 16, increase the amount by $8,000,000.
On page 53, line 1, increase the amount by $36,000,000.
On page 53, line 2, increase the amount by $32,000,000.
On page 53, line 4, increase the amount by $36,000,000.
On page 53, line 7, increase the amount by $37,000,000.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

Mr. CONRAD. Mr. President, we are very close to being able to move toward final passage, but we still have a number of amendments to dispose of. If we can just have the patience of the body for a few more minutes, we can dispose of these final amendments and move toward final passage.

First of all, I think it is important to thank colleagues—dozens of colleagues—who have given their amendments in the last hour—we appreciate it very much—and others who were able to work with us to get their amendments agreed to as the chairman has just reviewed.

The next amendment is Senator ENSIGN. We ask colleagues to give the Senator from Nevada their attention.

AMENDMENT NO. 3166

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. 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 Nevada [Mr. ENSIGN] proposes an amendment numbered 3166.

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

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

The amendment is as follows:

(Purpose: To deny funds in FY2007 for the United Nations Human Rights Council, which the United States just voted against because countries found complicit in sustained human rights abuses are eligible for Council membership. Savings redirected to border security)

On page 10, line 20, decrease the amount by $4,000,000.
On page 10, line 21, decrease the amount by $4,000,000.
On page 24, line 24, increase the amount by $4,000,000.
On page 24, line 25, increase the amount by $4,000,000.

Mr. ENSIGN. Mr. President, just very briefly, this amendment has to do with funding for the United Nations Human Rights Council which I believe is worse than the discredited United Nations Commission on Human Rights.

Members will not be selected primarily on the basis of their commitment to human rights, even countries under Security Council sanctions for human rights violations or terrorism.

The United States has been a member of the United States Commission on Human Rights since 1947, with one exception. That will no longer be the case. Due to a rotating membership, the United States will be ineligible for the Human Rights Council membership every 6 years. So our country, which has been at the forefront of promoting human rights, would periodically lose its seat but still be required to cover 22 percent of the United Nations Human Rights Council cost.

I am proud of the United States and how we have stood firm and opposed creation of this fatally flawed council. We need to make sure we are not funding this council, and that is exactly what our amendment does. It takes away the funding from the Human Rights Council and puts it toward border security.

Mr. CONRAD. Mr. President, this amendment reduces the international account by $4 million. That is what it does. We have no assurance that it will actually take money from the Human Rights Council, although that is the intention of the Senator. The fact is, it reduces the international account by $4 million and increases the 750 account by a like amount.

I yield the remainder of my time to the Senator from Maryland.

Mr. SARBANES. Mr. President, I urge my colleagues to vote against this amendment. The United States did not get all the changes it wanted made with respect to the Human Rights Council, but very significant changes were made. And under Secretary Burns, they have indicated that the administration intends to work with those changes to try to improve that situation. We have a real problem with respect to that Human Rights Council. But changes are being made. They are being made in the right direction.

I very much oppose this amendment. I hope my colleagues will vote against it.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

Mr. ENSIGN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—50

Alexander	DeWine	McConnell
Allard	Dole	Murkowski
Allen	Domenici	Nelson (FL)
Bennett	Ensign	Nelson (NE)
Bond	Enzi	Roberts
Brownback	Frist	Santorum
Bunning	Graham	Sessions
Burns	Grassley	Shelby
Burr	Gregg	Smith
Chambliss	Hatch	Stevens
Coburn	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Isakson	Thomas
Cornyn	Kyl	Thune
Craig	Lott	Vitter
Crapo	Martinez	Warner
DeMint	McCain	

NAYS—50

Akaka	Feingold	Menendez
Baucus	Feinstein	Mikulski
Bayh	Hagel	Murray
Biden	Harkin	Obama
Bingaman	Inouye	Pryor
Boxer	Jeffords	Reed
Byrd	Johnson	Reid
Cantwell	Kennedy	Rockefeller
Carper	Kerry	Salazar
Chafee	Kohl	Sarbanes
Clinton	Landrieu	Schumer
Cochran	Lautenberg	Snowe
Conrad	Leahy	Specter
Dayton	Levin	Stabenow
Dodd	Lieberman	Voinovich
Dorgan	Lincoln	Wyden
Durbin	Lugar	

The amendment (No. 3166) was rejected.

Mr. SARBANES. I move to reconsider the vote.

Mrs. MURRAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 3152 AND 3172, EN BLOC

Mr. GREGG. I ask unanimous consent the following amendments be considered, agreed to en bloc, and the motions to reconsider be laid upon the table: One amendment by Senators LOTT, TALENT, REED, LIEBERMAN, DURBIN, BAUCUS, and WARNER, an amendment dealing with the military, dealing with defense accounts, and an amendment by Senator SCHUMER dealing with courthouses.

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

The amendments were agreed to, as follows:

(Purpose: To provide additional new budget authority and outlay authority for fiscal year 2007 for National Defense (050) in the amount of $3,700,000,000, the amount requested for defense for fiscal year 2007 in the budget of the President for fiscal year 2006, in order to fund principal unfunded priorities of the military departments and fund an authorized end strength of active duty members of the Army of 512,400, and an authorized end strength of active duty members of the Marine Corps of 179,000, for fiscal year 2007)

On page 48, line 5, decrease the amount by $3,700,000,000.

On page 53, line 1, increase the amount by $3,700,000,000.

On page 53, line 2, increase the amount by $3,700,000,000.

(Purpose: To add $308 million to function 800 for GSA fully offset by function 920)

On page 25, line 24, increase the amount by $308,000,000.

On page 25, line 25, increase the amount by $9,000,000.

On page 26, line 4, increase the amount by $31,000,000.

On page 26, line 8, increase the amount by $65,000,000.

On page 26, line 12, increase the amount by $95,000,000.

On page 26, line 16, increase the amount by $77,000,000.

On page 27, line 23, decrease the amount by $308,000,000.

On page 27, line 24, decrease the amount by $9,000,000.

On page 28, line 2, decrease the amount by $31,000,000.

On page 28, line 5, decrease the amount by $65,000,000.

On page 28, line 8, decrease the amount by $95,000,000.

On page 28, line 11, decrease the amount by $77,000,000.

MENTAL HEALTH PARITY ASSUMPTION

Mr. DOMENICI. Mr. President, I want to begin by complimenting my friend from New Hampshire and the chairman of the Senate Budget Committee on a job well done. He has taken a difficult situation and produced the budget resolution before us today. Congratulations.

I would like to raise the issue of mental health parity as the Senate debates the fiscal year 2007 Senate budget resolution.

It is my understanding the resolution before us assumes the revenue impact of enacting a mental health parity law at a cost of $1.5 billion over 5 years. I want to make sure that it is indeed the case that the overall revenue number is such that it assumes Congress will pass a mental health parity bill.

Mr. GREGG. I understand the interest of the distinguished senior Senator from New Mexico regarding mental health parity legislation and I would concur with my colleague's assessment. S. Con. Res. 83 does assume the revenue impact of enacting a mental health parity bill.

Mr. DOMENICI. I thank the distinguished chairman for his consideration and explanation of this important matter.

BORDER PATROL CHALLENGES

Mr. ISAKSON. Mr. President, as the chairman may know, I recently took a trip with Senator COLEMAN to the U.S.-Mexican border to look at the challenges facing our Border Patrol agents as they work to secure the border against illegal immigration. One of our stops was at Fort Huachuca, AZ, where we saw, in operation, the lone UAV Predator B that the Customs and Border Patrol has in service. I was tremendously impressed with this technology and saw its usefulness in assisting our CBP agents in locating and interdicting illegal immigrants as they crossed the border. In fact, Mr. Chairman, while at Fort Huachuca, CBP caught 13 illegal immigrants using the Predator B right before our eyes.

In our discussions with the CBP officials at Fort Huachuca, we learned that with a squadron of UAVs the CBP could provide 24-hour-a-day, 7-day-a-week, coverage on the Mexican border. These MQ-9 UAVs would have satellite command, control, and communications which would allow them to be operated anywhere in the world from anywhere in the world, as well as an updated sensor suite to assist in finding illegals coming across the border. It is my belief that this body should make a significant investment in unmanned aerial vehicles.

We also learned that there is an issue surrounding critical spares for the lone UAV in operation. I understand the CBP is scheduled to receive a second Predator B this year; however, we need to fund the critical spares CBP needs to keep these UAVs up and flying.

Through conversations that I and my staff have had with FAA, I understand they are working out the issues surrounding the flying of UAVs within U.S. airspace. I would like to take this opportunity to encourage the FAA to continue to work with other Government agencies as well as the private sector to mitigate the problems surrounding the use of UAVs in U.S. airspace.

Mr. Chairman, the chairman has been a leader in this body on so many issues but in particular on homeland security issues. I look forward to working with you in this effort and on this issue.

Mr. GREGG. I thank my good friend and colleague from Georgia for highlighting this issue. Protecting U.S. borders is a basic Federal function; it is national security. I also believe these unmanned aerial vehicles can enhance our capabilities, as they have for our military as demonstrated in Afghanistan and Iraq. I am in the position of being both the chairman of the Budget Committee and manager of this budget resolution, and also the chairman of the Appropriations Subcommittee that oversees the Department of Homeland Security both our counterterrorism and border security programs.

The distinguished Senator from Georgia is known as a real leader in this area, and we appreciate his counsel. I might note that this budget resolution proposes increases of some $4 billion for border security focused on improving infrastructure and giving our men and women on the front lines

the tools to do the job. We will have to see how much of these funds survive the Appropriations Committee's 302(b) allocation process and the administration's transmittals of emergency spending. But I can assure the Senator we will take a hard look at the UAV program as a component of a border security infrastructure program.

Mr. GRASSLEY. Mr. President, today, I would like to take a few minutes to speak about the tax gap. Before I get started, I first want to thank my colleagues, the chairman and ranking member of the Budget Committee, for their interest in the tax gap. As chairman of the Finance Committee, I too have a great interest in this topic. It is my intention to close the tax gap, and I look forward to working with Senator GREGG and Senator CONRAD to achieve this important goal.

The tax gap, as we all know, is the difference between the amount of tax owed by taxpayers from legal activities and the amount voluntarily paid on time. Today, specifically, I want to clarify the facts and the fiction regarding the possible solutions to this $350 billion problem.

Under my chairmanship, the Finance Committee has held at least eight hearings to address the tax gap:

No. 1, Oversight of the Internal Revenue Service, ''Taxpayer Beware: Schemes, Scams, and Cons,'' April 5, 2001; No. 2, Tax Code Complexity: New Hope for Fresh Solutions, April 26, 2001; No. 3, Taxpayer Alert: Choosing a Paid Preparer and the Pitfalls of Charitable Car Donation, April 1, 2003; No. 4, Tax Shelters: Who's Buying, Who's Selling, and What's the Government Doing About It?, October 21, 2003; No. 5, Bridging the Tax Gap, July 21, 2004; No. 6, Charities and Charitable Giving: Proposals for Reform, April 5, 2005; No. 7, The $350 Billion Question: How to Solve the Tax Gap, April 14, 2005; and No. 8, Social Security: Achieving Sustainable Solvency, May 25, 2005.

During these hearings, we learned a lot about the tax gap, including several good ideas for closing it. We heard from the Joint Committee on Taxation. We heard from the Treasury Department, including IRS and TIGTA. We heard from the Comptroller General and GAO. We heard from the Justice Department. We heard from the Taxpayer Advocate. We heard from CBO. We heard from the States. We heard from the private sector, both nonprofit and for-profit. And, of course, we heard from the American taxpayer.

From the testimony of all these hearings, and the expertise of all these witnesses, we identified several truths about the tax gap:

No. 1, the tax gap is a huge problem for the tax system; No. 2, it is easy to discuss in the abstract; No. 3, there is no easy solution to the problem; No. 4, there is no one silver bullet; the tax gap can only be solved through many small steps; No. 5, enforcement is important, but any real solution to this problem will require legislative changes, the most important being Tax Code simplification; No. 6, closing the tax gap should not place an undue burden on honest taxpayers; and No. 7, taking concrete steps to close the tax gap will require a lot of political will and bipartisan cooperation.

In the spirit of bipartisan cooperation, I look forward to working with Senator CONRAD and others to solve the tax gap problem. Before we can reach a bipartisan solution, however, we first need to get on the same page regarding the facts and fiction of this issue.

A common misperception by some of my friends on the other side of the aisle is that the only thing we need to do to close the tax gap is give the IRS more money for enforcement. This myth asserts that if the IRS gets more funding for enforcement, both the $350 billion tax gap and the budget deficit will magically disappear. This myth is even being used as an offset for new spending.

The Finance Committee's tax gap hearings have emphasized the importance of IRS enforcement. In fact, this budget will provide the IRS additional resources to get the job done. However, our best estimates suggest that enforcement alone could account for only 10 percent of the tax gap, not 100 percent as purported by Senator CONRAD. But even this possible 10 percent is misleading, because it doesn't accurately reflect the reality of expanded enforcement. To achieve these kinds of returns from enforcement alone would, I fear, require us to backtrack to a time when there was serious concern about the IRS overreaching and stepping on the rights of taxpayers. We must always keep a balance between taxpayer rights and enforcement.

So yes, while I support additional enforcement, we need to keep our feet on the ground and our rhetoric in check as to how much can be achieved through enforcement and the level of enforcement that can be supported.

We must also remember that it is vital that enforcement resources be targeted properly. We need to be smart in our use of enforcement. Too often the IRS has ''no-change'' audits. That is, they have spent a lot of time going through the shoebox of receipts belonging to some person and found out there were no problems. This is a waste of IRS resources and takes up the time of honest taxpayers. I been pleased to work with Senator BAUCUS to encourage the IRS to do the research and review that will allow them to focus their attention on the bad actors and get more bang for the buck on audits and enforcement.

Let me note, too, from my work on the Commission on Restructuring the IRS that the Commission found that taxpayer service and clarity of law are vital in encouraging compliance. So many folks want to abide by their obligations as a citizen, but they can't because the law is too confusing, and they can't get the right answer. Service and simplification must be part of any effort to deal with the tax gap. I will return to simplification later in my comments.

So if enforcement can't solve the $350 billion problem, what are our other options? Well, a little over a year ago, the Joint Committee on Taxation, at the Finance Committee's request, issued a report.

This is the report right here. It is titled ''Options to Improve Tax Compliance and Reform Tax Expenditures,'' otherwise known as the ''White Book.''

This report provided about $190 billion over 5 years with some very controversial items. Let me give you some examples:

Repeal the mortgage interest deduction for home equity loans. Subject State and local workers to the Medicare tax. Apply the payroll tax to most fringe benefits. Allow the offshore activities of U.S. companies to be exempt from U.S. tax.

These are clearly controversial proposals, and I am sure there are not many in the Senate who would line up to endorse them today.

Some other ideas came out of the Finance Committee's examination of the payroll tax gap last spring. The Joint Committee on Taxation and the Treasury Department testified on the leakage in the payroll tax system. To fix this leak, we heard some of the following ideas:

Modify the determination of amounts subject to employment tax for partners and S Corporation shareholders. Provide consistent FICA treatment of salary reduction amounts. Remove the employment tax cap.

Again, many of these and other comprehensive payroll tax proposals, all which would have improved Social Security solvency, were too controversial to stand on their own.

With the lack of bipartisan cooperation on Social Security, we did not have an environment to consider these important, but controversial proposals. Perhaps, if there had been bipartisan cooperation on addressing the Social Security problem, we could have made headway on the payroll tax gap.

In addition, no discussion of methods to close the tax gap can be complete without identifying the single most important one, which is Tax Code simplification. Our tax code is just too complex. Complex laws lead to inadvertent errors as well as opportunities for intentional noncompliance. Complexity in the Tax Code also contributes heavily to taxpayer confusion and real or perceived unfairness in the tax system. And studies have shown that if taxpayers feel they are being treated unfairly by the tax system, they are less likely to be compliant. Any real effort to close the tax gap cannot be taken seriously unless Tax Code simplification is part of the proposal.

Finally, I also want to alert my colleagues to the fact that we have measures in the tax relief reconciliation bill that aim at some aspects of the tax gap. In particular, some of these are

dealing with problems we are seeing in tax-exempt entities—charitable donations and abuses of tax-exempt organizations. We have reforms of two types of charitable entities—donor advised funds and supporting organizations. Too often, people have been making donations to these organizations but retaining control and seeing an inappropriate benefit going to themselves and their family, rather than to the community and those in need.

Let my colleagues understand, the issues of donor advised funds and supporting organizations are not minor as it relates to the tax gap. The IRS recently released its ''dirty dozen'' tax scams for 2006, and throughout the thousands of pages of Tax Code and regulations, abuse of donor advised funds and supporting organizations was targeted as one of the top dozen problems.

Two years ago, the Commissioner of the IRS, in a letter to me, highlighted the abuse of donor advised funds and supporting organizations as the No. 1 problem IRS was seeing in tax-exempt entities.

I think the public would view the Finance Committee as neglecting its work if it didn't seek to shut down such abuses. The Finance Committee didn't turn a blind eye; we worked on addressing these problems and drafting reforms. These reforms of donor advised funds and supporting organizations have been drafted on a bipartisan basis and with significant comment and input from the charity sector, particularly the Nonprofit Panel. I am pleased that these measures are now in tax reconciliation and conference. I think it is important that we take steps in addressing these problems here and now.

But my point is that here is something—problems of donor advised funds and supporting organizations—labeled as one of the most dirty abuses in the entire Code, and yet I still have a few colleagues who come to me with this complaint, this change, this concern about what we are doing to stop the abuses. If the road is so full of potholes on dealing with these areas of clear abuse and relatively small dollars, I think we need to recognize the real problems ahead in dealing with the big issues in the tax gap. Unfortunately, all too often I find that the tax gap is an issue in which everyone shouts for solving in the abstract, while many of those same voices are stilled when it comes to the particulars.

In closing, I want to re-emphasize the importance of this debate. Today, I have just scratched the surface on this topic. I praise the Treasury and IRS for taking some initial steps. I applaud the chairman and ranking member of the Budget Committee for their interest in closing the tax gap, and I welcome input from other Senators as well. I will eagerly entertain any specific ideas to close the tax gap as long as they go beyond ''more money for IRS enforcement,'' and as long as they do not place an undue burden on honest taxpayers. The solution to this problem needs to be bipartisan, and it needs to be legislative. Let's sit down at the table, separate the facts from the fiction, and work together to solve this tax gap problem.

But, the bottom line for the discussion today is that the minority's point that closing the tax gap can be done just through enforcement just doesn't have merit. And, the $35 billion—and that is stretching it—that may be gotten through enforcement doesn't come close to paying for the over $100 billion in new spending that the Democrat leadership is pushing.

Mr. President, virtually all Democratic Members have had a common theme in their purported offsets for their amendments to this resolution—they would close tax loopholes to pay for whatever popular spending program is proposed. Closing corporate tax loopholes is the common refrain to pay for spending. Several Members have referred to the raisers in Senator CONRAD's substitute amendment to the tax relief reconciliation bill—and they keep trying to spend that same money over and over again.

Of the raisers in Senator CONRAD's substitute amendment, $30 billion of those are included in the Senate tax relief reconciliation bill that is now in conference between the House and Senate. Many of the proponents of these amendments that have been offered on the other side of the aisle, using tax loophole closers, were among the small minority of Members who opposed the tax relief reconciliation bill that contained offsets.

This brings me then to the amendments that have been proposed. The sponsors say they have offset the costs of the amendments by closing tax loopholes. Senator CONRAD's amendment contains the known universe of revenue raisers supported by those on the other side. If we assume that the raisers in Senator CONRAD's amendment would have raised approximately $89 billion over 10 years that is still a far cry from the cumulative demands of the amendments that have already been offered from the other side. The amendments that have been offered that propose to use those tax loophole closers as offsets total $319 in new spending. That total is as of 3:30 p.m. this afternoon. We don't have a tally for all of the additional amendments that have been proposed since then. That new spending, by the way occurs over the budget period—5 years. That means we will have to find $319 more in revenue raisers just to cover those new spending items.

Now, if you use a loophole closer that is already called for in the tax relief package that is in conference, we will also need to find another $30 billion in raisers to cover the tax reconciliation bill unless my colleagues on the other side of the aisle have decided that they are no longer interested in the tuition deduction and the low income savers credit and the work opportunity tax credit and the deduction for teacher expenses and small business expensing and, oh yes, AMT relief for nearly 20 million Americans. The Finance Committee staff hopes to use the full $30 billion that is already in conference in the Senate tax relief reconciliation bill for those important tax relief provisions.

So, if we leave the $30 billion in raisers that are in tax reconciliation out of it, we will have $59 billion in net new revenue raisers available that are supported by those on the other side. Keep in mind, I'm giving the other side a break here because I'm using 10 year numbers for the offsets. The 5 year numbers are probably less than half of the net $59 billion they could claim they are raising. If you subtract the $59 billion from the $319 billion in new spending proposed, it means the other side's amendments were short by $260 billion. That's $260 billion, Mr. President.

Now, that $260 billion needs to come from some place. It wipes out all the tax relief in the package. That means no extension of the child tax credit, marginal rate relief, marriage penalty relief, retirement security relief, or education tax relief when those provisions expire in 2011.

It also means no extension of the Alternative Minimum Tax relief ''patch'' and other extenders like the research and development tax credit.

You can't have it both ways, Mr. President.

Either the other side, if they had prevailed, would have added $260 billion in deficit spending or they would've gutted the tax relief they claim to support.

Budgets are about choices. In this case, the choices are clear. If the Democratic leadership were in control of the Senate, we would have no tax relief left in this budget or we would have added $269 billion in deficit spending. That deficit spending would be $269 billion higher than the deficits in the budget that the other side criticizes. Neither choice would be the right choice for the American people.

I yield the floor.

Mr. CRAIG. The President's budget proposal fiscal year 2007 includes a plan to change, through issuance of a new administrative ruling, the way Bonneville Power Administration, BPA, retires its debt to the Federal Treasury. The plan would require BPA to use excess revenues to retire long-term debt more quickly. Because the change would be made through the rulemaking process, congressional approval would not be needed for the rule to go into effect. Analysts believe the proposed rule would result in 10-percent rate increase that BPA would be forced to pass on to ratepayers.

This rate proposal is not acceptable. The Northwest is a region that is growing very rapidly, and our economy is built on hydropower. That means each year is different, depending on what

kind of water year we have had. This proposal would limit BPA's flexibility to deal with the bad water years by taking advantage of the good ones.

According to a February 8, 2006, analysis by the Northwest Power and Conservation Council, the Office of Management and Budget, OMB, proposal will result in a retail rate increase of at least 6.6 percent, raising power rates $145 million a year, costing retail customers an additional $26.13 a year, decreasing personal income in the Northwest by $109 million, and resulting in the loss of 1,120 jobs. The Pacific Northwest economy is only beginning to rebound from the recent recession, and increasing energy costs will only serve to slow that recovery. Surely, it is preferable to foster longer-term economic growth in the region rather than focus on a short-term revenue stream for the U.S. Treasury.

Some assert that this proposal is good business practice because it prepays BPA's Federal debt. I disagree because the full story is not being told. While it is not unusual to prepay debt, it is certainly unusual for the Government to require this. In fact, this proposal is one-sided. It takes excess revenues away from BPA during good water years but does not assist BPA in bad water years.

BPA has been prepaying debt for more than 20 years, even when our Northwest States had the second and third highest unemployment in the country. Power rates were not raised to do this. So why is the Government requiring prepayment of debt and an increase in power rates when the Northwest has been successful in prepaying debt without impacting rates? This does not make sense unless there is another reason for the proposal.

According to the Department of Energy, DOE, the main purposes of the proposal are to allow more financial flexibility for BPA and to help build more transmission infrastructure. We agree with these goals but think the individuals in the region can better decide how to accomplish them.

Unfortunately, it seems this proposal would result in the establishment of BPA as a revenue raiser for the Treasury—a questionable precedent and one BPA will not always be able to achieve. This proposal must be stopped.

Senators CRAPO, WYDEN, and MURRAY have successfully inserted section 312 into S. Con. Res. 83, which relates to requiring BPA to use excess revenues to prepay long-term debt. I commend my colleagues for their effort and support their provision, but this is just the first step in making sure that this proposal does not go forward. Our work is far from over.

I will continue to work with my colleagues to put this issue to rest.

Mr. LEVIN. Mr. President, the Levin-DeWine amendment would provide $140 million to the Advanced Technology Program to support cost-shared industry-led research and development of cutting-edge high-risk technology with broad commercial potential and societal benefits. The amendment is fully offset with reductions in function 920.

The Senate has voted twice recently in support of this program. Last year the Senate voted to adopt a Levin-DeWine budget amendment to provide for the Advanced Technology Program, ATP. The Senate defeated an amendment that would have eliminated the ATP Program during consideration of the fiscal year 2006 Commerce-Justice-Science appropriations bill.

We have lost nearly 2.8 million manufacturing jobs since January 2001. We should be doing all we can to promote programs that help create jobs and strengthen the technological innovation of American companies and produce the systems that are defending our national security. This budget resolution includes $28 billion for agriculture but includes very little for manufacturing.

In fiscal year 2006 the Senate funded ATP at $140 million, but because the House zeroed out the program, ATP ended up with only $80 million in conference. The Senate needs to again provide $140 million for ATP to help ensure this program has at least last year's level of funding.

The ATP is a very modest program which, according to the Department of Commerce, has had a result eight times more in technologies developed than the amount of money we have put into the program. This is an eight-time return on investment in advanced technologies which is achieved when the Department of Commerce partners with industry through the ATP. I urge adoption of the amendment.

Mr. DODD. Mr. President, as a statement of priorities and a vision of where we want our nation to be in the years to come, this budget fails the test of responsible leadership. Instead of correcting the mistakes of the past few years, this budget repeats and compounds those mistakes. It adds to record levels of national debt. It favors the fortunate few over everyone else who is working hard and playing by the rules. It does far too little for the most vulnerable and needy Americans—our children, our seniors, our veterans. Unlike China, India, and other countries, it invests only a minute fraction of our resources in research and development. We've seen where this agenda has led us—it represents a stunning failure to address any of the major challenges of our era, like globalization, security, stagnant incomes, and rising income inequality.

America has always been blessed with great natural resources. But in spite of these physical resources, our greatest strength has always been our human ones—the American spirit of ingenuity, creativity, and old fashioned hard work. Regrettably, the budget before this body fails to make the necessary investments to build and maintain the strength of our human capital, America's greatest asset. This may not be intentional; I presume that President Bush and my colleagues across the aisle believe just as strongly in boosting our nation's economic competitiveness. But regardless of their intentions, the fact is that mismanagement, misplaced priorities, and misguided faith in outdated economic ideologies continue to set us back.

On Friday of last week, an article appeared on an international news wire that is rather stunning in its implications for the budget resolution now pending before the Senate. The headline of this article, Mr. President, reads, ''China to Boost Science, Tech Spending by Nearly 20 Percent.'' The story continues:

> ''China will increase its spending on science and technology by nearly 20 percent this year in a move to remain competitive in the face of international challenges, the government said . . . The State Council, or cabinet, last month said 2.5 percent of China's gross domestic product (GDP) would be allocated to spending on research and development over the next 15 years, up from 1.23 percent in 2002.''

''The government,'' the article goes on to say, ''will not only allocate more money but also encourage all segments of society, including companies, to put emphasis on research and development through measures including tax incentives.''

Finally, it quotes the Minister of Science and Technology as telling the National People's Congress, ''Without progress on science and technology, it would be very hard to reach our target of becoming a well-off society.''

On one level, we as Americans should welcome the decision by virtually any country to invest more in science and technology. In fact, if more nations were to make a similar decision, the world as a whole would greatly benefit by peaceful advances in commerce and in finding solutions to some of the planet's most intractable problems.

But this news from China should also serve as a reminder to Americans, as we consider our budget priorities for the upcoming year and our vision for the future, of the commitment it takes to remain a leader in the global economy. Even with the passage of the amendment to increase Labor, Health, and Human Services funds offered by Senators SPECTOR and HARKIN, of which I was a cosponsor, this budget regrettably falls short.

The average American family over the last few years has been working harder and harder just to tread water. A household earning the median income made $1,600 less in 2004 than they did 4 years earlier. Meanwhile, during the same period, the average family's health insurance premiums have risen by $3,600, or 57 percent. Their energy costs continue to rise—even though many parts of the country had warmer than usual weather this winter, families can still expect to pay more than $250 extra this year to heat their homes. If they have a child attending a public 4-year college, that bill has gone up by 57 percent since 2000, as well.

My colleagues on the other side of the aisle claim that this budget sets us

on a path to fiscal responsibility. But as the Senator from North Dakota, the ranking member of the Budget Committee, has pointed out time and again before this body, that is anything but the case. Instead of saving for the retirement of the baby boomers—which is already beginning—we're borrowing like there's no tomorrow.

In 2000, we had a budget surplus of $128 billion; in 2006, largely as a consequence of the fiscal recklessness of this administration and the majority party in the Congress, the Federal Government is expected to run a deficit of $371 billion. Under this administration, the president and his allies will have added $3 trillion to our national debt by the end of this fiscal year. That would put America's public debt at more than $8.6 trillion, or around $28,000 for every man, woman, and child in America. Further, under the current administration, the share of that debt held by foreign creditors has more than doubled.

And it's not just the Federal Government that's borrowing, but the economy as a whole. Our personal savings rate in January was negative 0.7 percent, the 10th consecutive month for which it was effectively zero or below. Our current account deficit continues to set new records; it was an unprecedented $805 billion in 2005.

This dramatic run-up in the debt has real costs for America's families—both today and for future generations. It puts upward pressure on interest rates for things like student loans, home mortgages, and automobile loans. It raises the cost of capital for business investment. Rising interest rates, caused by America's growing indebtedness, represent a de facto tax increase on American families and businesses.

This administration's fiscal recklessness has also hurt our ability to address our nation's most important priorities, like education and health care, that strengthen our economic competitiveness and allow more Americans to share in greater prosperity. This budget provides a clear illustration of this failure, with the drastic cuts it would make in these areas.

The budget proposed by the Bush administration and my colleagues across the aisle would make the largest cut in our Nation's commitment to education in the 26-year history of the Education Department. These cuts will adversely affect students at all levels of learning. Investment and competitiveness begin with our children. As I have said many times before, education may be expensive, but ignorance costs more.

As I noted earlier, college tuition and fees have increased 57 percent for a public 4-year college. They have risen 32 percent for a private 4-year college since 2000. Yet instead of helping middle class families meet these skyrocketing college costs, this budget proposes to once again freeze the maximum Pell grant award at $4,050. In 1975, a Pell grant covered 80 percent of the cost of a public, 4-year college education; today, it covers only 40 percent. Surely we can do better than this for America's families. A college education should be a gateway to a better life for anyone willing to work for it, not just a privilege for those who can afford it.

This budget also continues to underfund K–12 education. The president and my colleagues on the other side of the aisle tout their commitment to education in the No Child Left Behind law. But this law is underfunded by $15.4 billion this year. The budget also cuts Head Start, afterschool programs, and child care, all of which prepare our children to learn better and help parents keep their kids in school and off the streets.

While countries like China are increasing their investments in science and technology, this budget would make a commitment in these areas that is little more than cosmetic. President Bush has talked a great deal about his so-called ''American Competitiveness Initiative,'' but under the budget he sent to the Congress, he would actually cut overall R&D funding in real terms for the first time since 1996. As a share of the economy, total Federal R&D funding would fall below 1 percent for the first time since fiscal year 2003.

One of the casualties would be biomedical and cancer research through the National Institutes of Health. Just two months ago, President Bush signed into law the first cut to NIH funding since 1970. Now, he has proposed further cutting funding for 18 of the 19 institutes in Fiscal 2007, including the ones conducting research on two of America's leading causes of death: cancer and heart disease.

The administration's proposals are reflected in the budget before this body today, which carries the same low level of overall discretionary spending. So while countries like China are setting goals like boosting R&D funding to 2.5 percent of Gross Domestic Product by 2020, we have nothing but a catchy slogan and cuts in the kinds of investments we need to stay strong.

This budget increases costs for entrepreneurs and small businesses. President Bush likes to say that his high-income tax breaks have benefited small business owners, but in reality, the distribution of benefits to small business owners has followed the same pattern as it has for everyone else—those with the highest incomes have received the most, and everyone else has been stuck with the bill. Among Americans with small business income, more than half of the benefits of the 2001 and 2003 tax breaks have been spent on those making more than $200,000 a year, or less than 8 percent of all small business owners, according to the nonpartisan Urban-Brookings Tax Policy Center. So while few small businesses have gained anything meaningful from the tax breaks, the administration this year is proposing to increase their cost of capital by charging a new fee for Small Business Administration loans. This would be a direct tax increase on one of our most important engines of growth. For an administration that claims to value small business, the record fails to live up to the rhetoric.

This budget fails the test of economic leadership not only by cutting investments in American competitiveness, but by abandoning our most basic American values. As Americans, we proudly look out for the least fortunate among us. Unfortunately, this budget fails to do this. It asks struggling parents to work more hours, but cuts the child care that helps them do it. It cuts funding for children's hospitals, like Hartford's Connecticut Children's Medical Center in my home state. Children's hospitals like CCMC train 30 percent of the Nation's pediatricians and more than 50 percent of the nation's pediatric specialists. This budget cuts food aid for senior citizens, pregnant women, and children. It cuts housing assistance and freezes funding that helps homeless veterans find work.

By adopting this budget, the president and his allies in the Congress would continue to walk away from one of America's bedrock principles: that everyone in our nation should have an equal opportunity to live a free and meaningful life.

While some of the amendments considered by this body appear on the surface to rectify some of the cuts this budget would make to vital priorities, they in reality fail to live up to their billing. The amendment offered by Senator MCCONNELL, for example, claimed to support port security, which should be one of our nation's highest priorities. It would have done so, however, through a budgetary gimmick that would result in an across-the-board cut to other areas, including, ironically, homeland security and national defense. It also would have provided no new funds beyond the already specified discretionary spending cap. Instead, it would have offered nothing more than non-binding instructions to the Appropriations Committee about how to allocate the funds under its jurisdiction. For this reason, I supported the port security amendment offered by Senator MENENDEZ instead of the McConnell amendment. The Menendez amendment would have provided the funds we need for this critical priority without making other cuts, and done so in a fiscally responsible manner by shutting down tax shelters and closing corporate tax loopholes, measures that have already passed this body on a bipartisan basis but which have not become law.

In the last few years, the American economy has weathered the storm of terrorist attacks, a downturn in the business cycle, natural disasters, and war. This is a testament to the strength and resiliency of the American people. But I wonder how much more our Nation can take of mismanaged economic policies and wrong priorities; of underinvestment in people, ideas, and innovation; and of an

agenda that increases the burden on the most vulnerable members of our society rather than lightening it, before we do irreparable harm.

If we want to continue to increase living standards and expand the capabilities of our society so that all may benefit, we must continue to invest in people, ideas, and innovation. We need a budget that will make our Nation stronger and more vibrant. We need more than just cosmetic solutions to the major challenges of our era. Above all, we need our government's priorities to reflect the values of the American people, like opportunity and responsibility, and the American vision of shared prosperity, expanding freedoms, and a just society. Regrettably, the budget offered by the President and by my colleagues across the aisle fails to accomplish these goals and fails to make the changes necessary to put our Nation back on the right course.

Mr. President, I have filed an amendment that will restore crucial investments to support our children and families in the fiscal year 2007 budget. I am joined on the amendment by Senators KENNEDY, CLINTON, HARKIN, MIKULSKI, MURRAY, DURBIN, LIEBERMAN, CANTWELL, KERRY, SALAZAR, BAUCUS, SCHUMER, LAUTENBERG, KOHL, and LINCOLN. It is important that we shift priorities and resources toward young children and families, to create an environment for healthy development and to help parents give their children the best possible start in life. Children represent one-quarter of our population but 100 percent of our future. We must nurture their growth and education as they provide the human capital that will determine our Nation's success in the global economy.

Today our families are working harder to pay for basic needs such as housing, fuel, health care, and childcare. At the same time, real income has decreased over the past 4 years. As a result, many hard-working families are finding it more difficult to make ends meet.

If our Nation is going to compete with the rest of the world, we must prepare our children for this challenge. It is essential that we cultivate the potential of each and every child. How can we know who may be a Nobel laureate, who may take us further into space, or who may be our future President, if we do not give them all an equal chance to thrive?

We all agree that we should not burden our children and grand children with great debt. Nor should our Nation abandon their need for health care, education, and other necessities.

As I said earlier, the amendment focuses on crucial assistance to children and families. The amendment is very simple. It takes several initiatives which have bipartisan support and restores the investments to a level that the Congress has already agreed to—in previous authorization or spending measures.

This amendment would increase resources by $3.3 billion in the fiscal year 2007 budget resolution for five programs: the childcare and development block grant by $540 million; Head Start by $520 million; 21st Century Community Learning Centers by $1.5 billion; Child Abuse Prevention and Treatment Act programs by $105 million; and the community services block grant by $650 million. In addition, it reduces the Federal deficit by $3.3 billion and pays for itself by closing corporate tax loopholes that were passed by the Senate in the tax reconciliation bill in February.

This amendment attempts to renew investments that have failed to keep pace with our Nation's needs. This proposal will restore the community services block grant to $650 million, the level Congress appropriated in fiscal year 2002; the Child Abuse Prevention and Treatment Act initiatives to $200 million for the level authorized for fiscal year 2004; and restore funding to the level of $7.2 billion for Head Start to keep pace with inflation and recent across-the-board cuts.

In addition, the amendment brings the investment in afterschool up to $2.5 million, the level authorized for 21st century community learning centers in the No Child Left Behind Act. The childcare and development block grant investment will reach a level of $2.66 billion from its previous level-funding of $2.06 billion, if the amendment passes.

We must invest in our children and improve their lives. Each day, 12 million children ages 0 to 4 spend much of their day in out-of-home child care while their parents work. In a majority of cases, having both parents work is a necessity, not a choice.

Currently, about one in seven children who are eligible for childcare and development block grant—CCDBG—subsidies are receiving assistance. With childcare costing between $4,000 and $10,000 a year, many families simply can not afford to pay for the care they need. Average child care fees for a year exceed 10 percent of the median household income in most States. Not only is childcare an essential support for hard-working families, it is an important early education opportunity for children.

With respect to Head Start, only 50 percent of eligible children are enrolled in Head Start classes. Costs are rising for transportation, heating, and cooling, health insurance, and supplies. Some centers have cut back hours and days of service to children and let teachers go. Our children deserve a high-quality opportunity to learn and thrive through Head Start, and we should give more children that chance.

As they struggle to reach their own potential and achieve financial stability, working families require support. Community services block grant initiatives serve 15 million individuals, 6 million families and 3.7 million children. Forty-four percent of those receiving funds are gainfully employed, but they may still have trouble affording the cost of heating their home, putting food on the table, or sending their children to a quality childcare program. While each Federal dollar spent leverages more than $5 in State, local and private funding, the Federal investment is still essential to helping hard-working people get ahead.

At the very least, we must keep children from harm. Each year, nearly 3 million cases of child abuse and neglect are reported, and nearly 1 million of these cases are substantiated. States lack the resources necessary to investigate suspected cases, to protect children, and to prevent abuse and neglect from occurring. The Child Abuse Prevention and Treatment Act—CAPTA—helps communities maintain and expand efforts to improve children's lives. The amendment seeks to increase this important investment.

All of our children and families deserve a fair start. We know that investments in children pay dividends later in life. But it takes financial commitment and an understanding that we cannot waste a day of a child's life, leaving that child to play catchup later.

Families are asking for our help. I ask my colleagues to join me in heeding their call and supporting this amendment.

Mr. LEVIN. Mr. President, every year the Senate considers a budget resolution that sets forth the blueprint for the Government's spending and revenues. Unfortunately, the budget we are considering this year continues the administration's policies that have led to the deepest deficits and debt in American history. It also reflects the wrong priorities by cutting important programs like education and Medicare to fund large tax cuts which mostly benefit the richest among us.

The result of these irresponsible fiscal policies is that we are passing on a huge burden to our children and grandchildren and threatening our economic security. Our Nation is currently $8.2 trillion in debt—that's over $27,000 per person—and this astounding number is only getting worse. Earlier today the Senate voted to raise the Federal debt limit for the fourth time in 5 years, meaning we've increased our debt by $3 trillion since 2002. A sensible budget resolution would try to curb this unsustainable trend; unfortunately, this budget moves in the wrong direction. Under this budget, the national debt would grow to $11.8 trillion in the next 5 years.

Continued deficits will mean rising long-term interest rates and slower economic growth. Continued deficits will make it more expensive to buy a house, pay for college, or pay off credit card debt. Alan Greenspan recently warned that, if left unchecked, deficits ''would cause the economy to stagnate or worse.'' Continued deficits will also mean the continued use of the Social Security Trust Fund to cover the funding shortfalls.

Instead of changing course, however, this budget proposes to make the administration's tax cuts permanent.

Over 10 years, the cost of making tax cuts permanent would be approximately $2.8 trillion, or $3.3 trillion when the added interest payments on the debt are included. Although the cost of the President's tax breaks are as large as the entire budgets of the Departments of Agriculture, Labor, Education, Veterans Affairs, Transportation, Justice, Interior, Energy, State, HUD, and EPA combined, his budget cuts critical programs which are a small percentage of the deficit problems his tax breaks create.

On a positive note, I was able to get an amendment included in this budget to provide $140 million to the Advanced Technology Program to support cost-shared industry-led research and development of cutting-edge high risk technology with broad commercial potential and societal benefits. America has lost nearly 2.8 million manufacturing jobs since January 2001. We should be doing all we can to promote programs that help create jobs and strengthen the technological innovation of American companies and produce the systems that are defending our national security.

I am also pleased that the Senate agreed to my amendment to add $6 million to the budget for the establishment of new Northern Border Air Wing sites. Northern Border Air Wings have been operational in New York and Washington since 2004 and I look forward to the opening of additional sites in Michigan, North Dakota, and Montana in the coming years. These sites will help improve critical air and marine interdiction capabilities along our Northern Border.

I am also pleased that the budget includes an important amendment that Senator STABENOW and I offered that will improve inspections of trash trucks entering the U.S. from Canada. These trucks pose a threat to our security and the environment, and this amendment is a critical step towards reducing these risks.

I am also pleased that the Senate adopted an amendment to the budget resolution to fund the Low Income Home Energy Assistance Program, LIHEAP, at its full authorized level of $5.1 billion. This amendment would increase the LIHEAP funding for 2007 by $3.318 billion and offset the increased spending by closing corporate tax loopholes. The Senate has voted on five previous occasions to support full funding for the LIHEAP program, and I hope that this time the conferees on the budget resolution will retain this amendment. Full funding for LIHEAP will ensure that States are able to serve more people in need of assistance during both the cold winter months.

While there are certainly some positive inclusions in this budget package, it is entirely too fiscally irresponsible and short-changes too many important programs for me to vote to support it.

Mr. KOHL. Mr. President, I have serious reservations about this budget and will vote against it.

At their best, budgets ought to embody discipline, vision, and accuracy. Not so for this budget. While it claims fiscal discipline, that claim is belied in the budget's bloated bottom line. While it claims strategic vision, that vision is a blurred blend of wasted dollars, missed opportunities, and neglected priorities. While it claims financial accuracy, that accuracy is of the quality found in an Enron balance sheet.

The tax portion of the budget resolution is remarkable, not for what it contains, but for what it omits. It fails to account for the expiration of alternative minimum tax relief at the end of 2006. The AMT currently captures approximately 4 million, mostly middle-class, families and individuals in its high tax trap—a trap meant to catch only high-income taxpayers who take advantage of complicated loopholes to avoid paying their fair share. That number would swell to more than 34 million people in 2011 under this budget.

Instead of AMT reform, this budget contains $228 million to accommodate tax cuts that were included in the House and Senate passed reconciliation bills currently in conference. I voted against the Senate tax reconciliation bill because I could not support unnecessary tax cut extensions at a time of burgeoning deficits. The deficits are still burgeoning, and I still oppose those unneeded and unjustified tax breaks for our highest income taxpayers.

The budget's generosity to high-income taxpayers is offset by its miserly treatment of our Nation's educational system. The budget proposes the largest cut to federal education funding in the 26-year history of the Education Department. Students, educators, parents, and administrators all lose out. Under this budget, funding for No Child Left Behind and special education will still fall far short of their authorized levels. The same holds for Career and Technical Education, Safe and Drug Free Schools, and TRIO programs. I commend Senators SPECTER and HARKIN for their successful amendment to restore some of these deeps cuts, and hope their provision will survive conference with the House.

As ranking member of the Senate Special Committee on Aging, I am also troubled that some of the most painful cuts in this budget would fall on important programs at the Administration on Aging. The meager funding levels in this budget would put Meals on Wheels and Family Caregiver Support Services on the chopping block. That means that, while Wisconsin's senior population continues to grow from 705,000 senior citizens in 2000 to 730,000 seniors this year, and is projected to grow to 1.2 million seniors by 2025, this budget will not keep pace with needed services in Wisconsin or any other State.

Funding for geriatric health professions is also likely to suffer. Title VII funding for geriatrics training is the only Federal program that specifically develops academic geriatricians at a time when more are needed. In prior years, Congress has demonstrated its strong support for the program through continued and increased appropriations over the past five years, including $31.5 million in fiscal year 2005. I was disappointed that the fiscal year 2006 Labor, HHS bill eliminated this program, and I am even more concerned that the budget before us makes it difficult, if not impossible to restore it in fiscal year 2007. Delegates to the recent White House Conference on Aging ranked increased training in geriatrics among their top ten resolutions at the once in a decade meeting in December of 2005. Clearly, this budget does not adequately prepare for our aging population.

Nowhere is that more clear than in the budget resolution's treatment—or lack thereof—of the Medicare prescription drug benefit. During consideration of this budget, many of us worked to improve that benefit. The launch of the drug benefit has been confusing and complicated for too many seniors and people with disabilities. Medicare beneficiaries who do not choose a plan by the May 15 deadline and enroll at a later date will face a substantial and permanent penalty. I cosponsored an amendment to extend the enrollment period through all of 2006 to give people additional time to make the best plan choice for them. This amendment would have also allowed a one-time change in plan enrollment at any point in 2006.

Enrolling in drug plans has been challenging and confusing for too many beneficiaries, and it makes sense to give them a chance to correct an initial mistake made during this difficult first year of implementation. Unfortunately, our amendment failed by one vote and the Senate instead gave Medicare managers discretionary authority to decide to extend the enrollment deadline for the drug benefit. While I voted for that amendment because I believe it is important to send a strong signal, I am concerned by recent comments made by the President and Medicare officials. Those comments clearly show their resistance to giving seniors more time to make a careful decision about what drug plan they will be locked into for the remainder of the year.

In addition, under current law, prescription drug plans can change the drugs they cover as many times as they want—while seniors are prohibited from changing drug plans except during the annual open enrollment period. This means that after seniors complete their research and choose the drug plan they believe is the best plan for their needs, they have no guarantee that their drugs will continue to be covered all year. That is why I cosponsored an amendment that would prohibit Medicare prescription drug plans from removing a drug from their approved list until the beginning of each plan year. This would ensure that seniors will not lose coverage of the drugs

they take without being allowed to also change their plan.

Finally, one of the most troublesome features of the new law is that it prohibits the Government from utilizing the tremendous purchasing power of the Medicare program to reduce prices. I cosponsored an amendment to repeal this provision and allow the Federal Government to negotiate directly with drug companies for lower drug prices for seniors. I am pleased the amendment passed and I hope this provision will remain in the final resolution.

The budget was also improved by an amendment, of which I was an original sponsor, on the Manufacturing Extension Partnership program, MEP. The amendment, which was unanimously accepted, would fund the MEP at $106 million for fiscal year 2007. I am a longtime supporter of the MEP program and believe manufacturing is crucial to the U.S. economy. By offering resources, including organized workshops and consulting projects, to manufacturers, MEP allows them to streamline operations, integrate new technologies, shorten production times, and lower costs. At a time when we want to increase economic activity and strengthen the manufacturing base of our nation, the MEP is a fiscally sound investment.

I am similarly pleased that this budget was amended to include adequate funding for the Low-Income Home Energy Assistance Program. I voted to include $5.1 billion in order to fund this valuable program at its fully authorized level. Just a few months ago the Congress passed an energy bill, which I supported, which funded LIHEAP at $5.1 billion. This was a sorely needed update to a program where the funding has been frozen at an inadequate amount for years. There was bipartisan support for the Energy Bill, and I am pleased the Congress met the commitment we made in that bill.

But even those improvements—important as they are to me—fail to make up for one of the central and most disturbing inadequacies of this budget. This budget simply fails to provide adequate resources to take care of our returning troops. Once again the President's budget requires the Veterans Administration to charge veterans an enrollment fee and increases the co-payments for veterans receiving medical care through the VA system. These charges add insult to injury when veterans are also being forced to wait for months before they are able to see a doctor at the local VA hospital. Senator AKAKA's amendment tried to remedy this situation by adding an additional $1.5 billion to the budget, but his responsible approach was rejected.

We face unprecedented challenges in our Nation today. War and terrorism demand our resources and attention. An aging population struggles to find the money to educate the next generation while battling sky high health care costs. Our powerful economy fights to create high quality jobs in a world market of constant technological innovation and fierce international competition.

We need a budget that that sees and meets these challenges clearly—vision. We need a budget that faces the difficult realities of our world today with honest proposals and precise numbers—accuracy. And we need a budget that does what we should and must and no more—discipline. We have a budget that does none of that, and so I will vote ''no.''

AMENDMENT NO. 3116

Mr. NELSON of Nebraska. Mr. President, some of my colleagues may be surprised to learn—like I was—that some agencies are skimming off the top a portion of some of the congressional appropriations and keeping that money in that agency.

My amendment is simple. It says: If it has been determined that a constituency warrants a direct appropriation—one that has gone through the scrutinizing process and is supported by the House, Senate and then signed into law—then that constituency should receive the full amount.

Bureaucrats at the agencies should not be unilaterally determining that some sort of ''surcharge'' should be assessed to these projects. It amounts to a tax on our constituents. And it usurps the authority of Congress by circumventing the legislative process and giving nameless faceless bureaucrats the authority to alter legislation after it is signed into law.

And in the case where our constituents determine that the full amount of the earmark is not needed and turns back some of the funding to the government—this amendment says that instead of going to bureaucrats in the agencies to spend as they wish—it should instead go towards deficit reduction.

I offer this amendment because long before some started discussing concerns about the appropriations process, I identified—with the assistance of the Congressional Research Service—and have made an effort to investigate this practice of skimming from Congressional appropriations. Let's just say our efforts thus far have been less than successful: almost half of the agencies that have been contacted for information have not bothered to respond.

Each year, I invite Nebraskans—including community officials and nonprofit groups—to propose investments that help ensure some of their tax dollars are returned to the state. I am often approached by Nebraskans seeking help with a project that has been identified as a priority by local officials or others in the community. I support these direct investments only after they have been proposed by Nebraskans and been subjected to reviews to ensure they are both necessary and responsible.

In the absence of a full accounting of how the agencies handle this practice, I am working with the information that has thus far been shared with me. I plan to continue my efforts to seek out information on this practice by the agencies. I can assure this body that as the budget process moves forward this year, I will continue in my efforts to crack down on this practice by agencies to skim some off some of these funds.

Mrs. FEINSTEIN. Mr. President, I oppose this budget. This administration has chosen to continue down an unsustainable economic path. They have put forth an irresponsible budget that does not take constructive steps toward righting our Nation's fiscal course. I strongly urge my Senate colleagues not to follow suit.

Our Nation is going in the wrong direction. The signals grow more evident each day.

Deficits are at record levels. The debt is reaching astronomic heights. And we have fewer resources available for important domestic programs.

Under President Clinton, we had 4 years of budget surplus. And, when he left office, we had a projected 10-year surplus of $5.6 trillion.

But the economic policies of the past 5 years have produced a catastrophic turnaround. Record budget surpluses have given way to record deficits—projected at $1.6 trillion over the next decade. And the debt is projected to exceed $11 trillion.

This budget resolution assumes that the deficit will decline from $359 billion in FY 2007 to $177 billion in FY 2011. Unfortunately, these numbers don't tell the whole story.

This is a 5-year budget. This clouds the full impact of the administration's policies. The debt and deficit are set to explode in the out years—the end of the 10-year window. And, this does not even include the costs of ongoing military operations in Iraq and Afghanistan beyond 2007 and reforming the alternative minimum tax beyond 2006.

When all costs are included, this budget proposal will contribute $1.14 trillion to the Federal budget deficit over the next 5 years.

In this year alone, our national debt is slated to increase by $654 billion. This is a far cry from the President's goals for deficit reduction, and deeply troubling to those who value fiscal responsibility.

As a result, we are now again confronted with raising the nation's debt limit. The increase—from $8.2 trillion to roughly $9 trillion—will be the fourth major hike in the last 5 years.

In 2000, our national debt was at $5.8 trillion. Today, this figure stands at $8.27 trillion. And, at this rate, with all costs included, debt will more than double to $12 trillion in 2011.

Additionally, more and more of our debt is being held in foreign hands. We now owe Japan $685 billion and China over $250 billion. It took 42 Presidents 224 years to run up $1 trillion of foreign held debt. In only 5 years, President Bush has more than doubled that amount.

Contrast this with the last 3 years of the Clinton administration, where we

paid off more than $200 billion in debt to foreign countries.

These staggering figures represent a great burden for future generations who will have to pay the bill. They also keep interest rates high, limit economic growth, and slow job creation.

This President has the worst record of private sector job growth since Herbert Hoover. And the jobs that are created are largely minimum wage and temporary work. Americans are working harder, for less money. Average household income for working families decreased by $1,669 between 2000 and 2005, when adjusted for inflation.

By almost every indicator, American families are facing tough times: Housing affordability, a big problem in California, is at a 14-year low; Health care costs are up 50 percent since 2000; Gas prices are up 60 percent; College costs at public universities are up 57 percent; 45 million people are going without health care, including 6.6 million in California; and 37 million Americans are living in poverty, a number that has increased each year under this administration, U.S. Census Bureau.

You'd think that this budget would attempt to provide relief for most Americans. Instead middle-class families are asked to do more with less.

At the same time, the President is proposing to make tax breaks permanent for the wealthiest Americans—at a cost of $1.3 trillion over the next decade. And, when you combine the cost of the tax cuts with costs of war in Iraq—currently totaling $370 billion—the inevitable result is that critical domestic programs are squeezed.

The budget before the Senate today reflects these constraints by: Cutting food stamps, by $272 million; Cutting food assistance for seniors and children, by $111 million; Reducing the effectiveness of our police officers in cutting COPS by more than $407 million, 15,000 officers nationwide; Cutting $244 million from firefighter grants; Failing to reimburse state and local governments for the Federal responsibilities in paying for the incarceration of illegal immigrants; Cutting funding for 18 of the 19 National Institutes of Health, including those conducting research on cancer and heart disease; And, No Child Left Behind, the President's signature education program, would be underfunded this year by more than $15 billion and $55.78 billion since it was enacted.

These are vital priorities that must be funded.

Because of record federal deficits and debt, money that could have been available for education, healthcare, defense, infrastructure, job development, and homeland security, must now go to interest payments.

In 2006, interest costs alone on the national debt will total nearly $400 billion. And, this figure will grow to nearly $600 billion over the next 5 years. Total non-defense discretionary spending—$416 billion in this budget—is only modestly larger than this interest payment.

This could have been prevented.

The Congressional Budget Office estimated that last year, economic problems caused only about 8 percent of the deficit. The rest resulted from policy choices by Congress and this administration—largely tax cuts for the wealthiest among us.

The time has come to chart a different course, and make the tough choices that the President and this resolution avoid.

We must adopt a balanced approach to both taxes and spending and return to a program of fiscal sanity.

When I first came to the Senate, over a decade ago, a small, bipartisan group decided to get our fiscal house in order. Democrats worked to bring spending under control. And Republicans pledged not to push for additional tax cuts.

I have no problem holding the line on spending, but believe that it must be done in the context of a more responsible approach to tax policy.

We must consider rolling back the tax cut for the wealthiest Americans, to bring the income tax rate from its current 35 percent back to 38.6 percent.

This will affect those earning more than $312,000 per year—less than one percent of taxpayers—but will save nearly $130 billion over the next decade.

Finally, we need to work together to begin addressing some of the deeper structural problems with Social Security and Medicare—before these programs fall into crisis.

These are not easy answers. But, we must change the direction in which this nation is moving. We cannot afford to continue down this path of fiscal irresponsibility. Americans work hard to balance their checkbooks and live within their budgets. They deserve a Government willing to do the same.

Mr. KERRY. Mr. President, I cannot support this budget resolution. It closely mirrors the President's budget which projects the largest deficit in history for 2006 $423 billion. We are on an unsustainable path. We cannot continue year after year to pass budget resolutions that increase the deficit, rather than put us on a course of fiscal responsibility.

Not only should we be concerned about growing deficits, we should be concerned about the debt. Under this budget, the deficit will increase to $371 billion for 2006, and the debt will increase by $654 billion a year. The Senate has just passed a $781 billion increase in the debt ceiling, the fourth largest debt limit increase in our Nation's history. This is the fourth time that the Bush administration has requested an increase in the debt. These increases now total $3 trillion.

The service on the debt alone for this year is $220 billion. This money could be put to better use. With the approaching retirement of the baby boomers, we should not be increasing the debt.

The budget being debated today is not based in reality. It leaves out the full 10 year numbers. Without these numbers, the budget hides the full cost of making the 2001 and 2003 tax cuts permanent. The budget does not include funding for the ongoing war costs beyond 2007. Relief from the individual alternative minimum tax, AMT, is only addressed for 2006. It does not include the President's Social Security privatization proposal.

This budget is incomplete. If the missing items were added back, the debt would increase every year by more than $600 billion. The deficit and debt will continue to explode because the budget will continue a course of spending more than the amount of revenue raised.

It is not right to vote on budget that is incomplete. In his budget, the President only chose to address the AMT for 1 year—2006—and chose not to address it for the current budget year. The administration's budget deliberately leaves out a more permanent solution for the AMT for two reasons: first, the AMT would add additional costs to the budget; and second, the AMT masks the true costs of the 2001 and 2003 tax cuts.

This budget resolution follows the administration's lead. It chooses to only address the AMT for 2006 and to extend tax provisions that do not expire until the end of 2010. The budget does not address the 23 million families that will be impacted by the AMT in 2007, but the budget makes sure that the tax cuts that are skewed to those making more than $1 million are extended through 2011.

This budget continues the repeated pattern of choosing tax cuts for the wealthy rather than investing in our future. The tax cuts going to those who on average earn over $1 million a year cost $41 billion for a single year. In contrast, the President's budget cuts education by $2.2 billion—the biggest cut ever for education. This budget shortchanges veterans. There are reductions in law enforcement, firefighter grants, and essential air services. These are just a few of the many examples how the budget's priorities are misguided.

The budget does not adequately address healthcare. Access to quality, affordable health care continues to be a challenge for most Americans and the Bush budget only exacerbates the problems. And what about the uninsured? There is nothing in this budget to help them. Sure, there are some recycled, stale proposals the administration has been trying to advance for 5 years now but nothing really new. Nothing that will help any families gain access to coverage that is quality, affordable, comprehensive care. It's high time we have a real debate and discussion in the Congress on real reforms necessary to address the health needs of our nation.

The budget resolution assumes the deep cuts and unprecedented fees for the Small Business Administration, SBA. The administration's request of

$624 million is insufficient to meet the needs of small businesses in this country that need access to capital, counseling and Federal contracts. By the SBA's own calculation, the request is $18 million less than what was available to the Agency last year when congressional initiatives and disaster supplemental appropriations are excluded.

I proposed an amendment to increase the funding shortfall by $151 million and it was offset by closing abusive corporate tax loopholes. Unfortunately, this amendment did not garner bipartisan support. However, we were able to reach a bipartisan agreement that would increase SBA funding by $130 million.

This budget is another example of how the Republican controlled Congress continues to misuse the reconciliation process. The reconciliation process was designed to make it easier to pass difficult legislation that would provide fiscal discipline. It is now being used to ram through tax cuts and pet priorities that do not have the support of 60 Senators.

I am vigorously opposed to the inclusion in the budget of assumed revenues and a reconciliation instruction for the Energy and Natural Resources Committee linked to opening the Arctic National Wildlife Refuge to oil and gas leasing and development. I object to the inclusion of drilling in the refuge for two primary reasons. First, it is irresponsible to base our budget on the highly speculative projection of lease revenues from the Coastal Plain. Second, I oppose using the reconciliation process to open the Arctic Refuge to drilling because it would limit consideration of this highly controversial issue.

The reconciliation process is being used to address only one Senate committee's jurisdiction, and is clearly intended to authorize oil and gas leasing in the Arctic Refuge. This underscores that the real objective of the process is not deficit reduction, but rather to circumvent normal Senate process and procedure with respect to this controversial subject.

On the whole this budget reflects no new ideas and recycles bad policies. This budget fails to address reality, and I therefore cannot support it.

Mr. KENNEDY. Mr. President, today, I filed an amendment that would increase funding for basic research at the National Institutes of Health, and restore cuts made under the President's budget to critical R&D programs. It would have been fully offset by closing tax loopholes. But I faced opposition from my Republican colleagues and it was not accepted.

This budget and the President's American Competitiveness Initiative make no new serious commitments to invest in R&D. The President would have you believe that he is increasing our investment in R&D when it barely keeps pace with projected inflation. To fund the increases at the National Science Foundation and other increases, every other R&D agency will see real cuts for the next 5 years. It just creates winners and losers.

In fact, this budget keeps our R&D investment stagnant—it has already flat-lined at 1.1 percent of our GDP.

If America is going to compete and win in the global economy, we must innovate and support basic research in all areas. We want the new inventions and new technologies and new cures to be made in the U.S.A. And that means supporting the basic research that is the foundation of new discoveries that will create the good jobs of the future.

But this budget cuts funding for basic research. The National Academy of Sciences, the Council on Competitiveness, and Nobel prize winners like American physicist Steven Chu say that is wrong for America's future.

When Dr. Chu testified before the Senate last year, he said ''There are growing signs that all is not well . . . We call for an increased federal investment in long-term, basic research.''

The Internet, the laser, MRIs, and the mapping of the human genome all came about from basic research at DOD, NIH, and other Federal agencies. Think of the millions of jobs that these innovations have created.

I intend to continue my efforts in the Senate to ensure that American innovation will continue. It is critical to our growth and our future competitiveness.

Mrs. MURRAY. Mr. President, I rise today to discuss my amendment to the fiscal year 2007 budget resolution, which would have provided immediately for a $4,500 Pell grant for needy students. My amendment would have redirected the savings generated by the HELP Committee as part of reconciliation back to student aid, as originally intended and passed by the committee and the full Senate.

Last year, through Chairman ENZI's leadership, the HELP Committee drafted a bipartisan Higher Education Act reauthorization and reconciliation instructions. The committee was instructed to find savings of $13.7 billion—$7 billion of which was to be generated from education programs. The committee developed reconciliation instructions that included savings of over $20 billion. As a member of the HELP Committee, I can say that we purposely generated additional savings with the intent that a portion of the savings would be returned to students in the form of grant aid.

Accordingly, the committee created two programs for Pell-eligible students. We allocated $2.25 billion for SMART grants to target aid to students who study math, science or a critical foreign language. We also allocated $6 billion to the Provisional Grant Assistance Program, or ProGAP. These increases in the Pell grant program are critical, given that tuition has increased rapidly.

This year alone, tuition rose by 7.1 percent at public colleges and 5.9 percent at private universities. Yet students and families have seen no growth in the Pell grant program in the past 4 years; the maximum Pell award has been stagnant at $4,050 since fiscal year 2003. ProGAP would have immediately provided current Pell recipients with a $4,500 maximum grant.

However, when the Deficit Reduction Act returned to the Senate from conference with the House, ProGAP had been eliminated and was replaced by Academic Competitiveness grants. The majority will claim to have increased grant aid for needy students through Academic Competitiveness and SMART grants.

However, the Congressional Budget Office has estimated that less than 10 percent of Pell-eligible students will be able to take advantage of the Academic Competitiveness and SMART grants in 2006. The percent of eligible students rises slowly, from 10.3 percent in 2007 to a paltry 13.5 percent in 2010. Given the existence of both Academic Competitiveness and SMART grants in the conference bill, adopting my amendment would have allowed us to help both needy Pell students and target math and science programs.

The intention of the committee was for the savings generated from changes to the student loan programs go towards deficit reduction and student aid. Not only did the final bill significantly reduce the aid going to students, the savings are clearly going for tax cuts that will not help the families we sought to help in the bill we passed in the Senate. In fact, even with the savings generated through the Deficit Reduction Act, the tax cuts cost more than the savings we generated. The newest tax cuts yet again result in an increase to the deficit.

Currently only one-third of the U.S. workforce has a postsecondary education, but it is estimated that 60 percent of new jobs in the 21st century will require a college education. Workers who have attended college on average have higher incomes and lower rates of unemployment than those who don't. And those with a college education also are more likely to have jobs with benefits like health care, retirement and pensions plans.

My amendment would have restored our original intent of the Senate by redirecting the savings generated by the HELP Committee into the pockets of needy students, not the pockets of the wealthy benefiting from the tax cuts.

Mr. President, I withdrew my amendment after we had a huge victory for education—the overwhelming passage of the Specter-Harkin amendment which would provide $7 billion in increased funding to health and education programs. As an appropriator, I know first hand how critical that funding will be for education programs in fiscal year 2007. But we must all fight to retain that funding when the budget resolution is conferenced with the House. We should not accept a final budget resolution that does not contain the funding provided through the Specter-Harkin amendment.

While I withdrew my amendment today, I will continue to fight for increasing Pell grants and student aid. We can do better than level funding for our nation's needy college students.

Mr. THOMAS. Mr. President, as many of you know, I am co-chair of the Senate Rural Health Caucus and have worked on rural hospital and provider equity issues for a long time. Of course, the Senate does not always agree on every issue especially when it comes to health care. Over the years, however, the Rural Health Caucus has proved to be a bipartisan forum for Members on both sides of the aisle to come together and work on real solutions to help rural Americans have access to the same affordable, quality health care services as folks living in urban areas.

There are now over 80 members of the Rural Health Caucus, and together we remain committed to making sure the unique health care needs of rural and frontier areas are met. We all shared the success of passing landmark rural Medicare equity provisions in the Medicare Modernization Act of 2003. This legislation included the most comprehensive attempt to put rural providers on a level playing field with their urban counterparts. Clearly, this was a significant victory, but there is much more still to do.

As most of you know, the President's fiscal year 2007 budget eliminated or severely reduced several effective and efficient rural health programs. Now, I have long believed that we need to hold Federal agencies and programs accountable for the taxpayer dollars they spend. I also believe the Federal Government cannot be all things to all people. Congress must take the necessary, and often difficult, steps to ensure we put this country on a solid path toward reducing the deficit. Of course, we all have different ideas on how to achieve that goal. I agree with Chairman GREGG that we can start by slowing—and in some cases—eliminating wasteful spending. The budget before us focuses, primarily, on cutting spending and encouraging growth. If programs are not meeting their intended purpose, or are not performing well, then it is fair to look at eliminating the program. Many of the programs Congress funds are duplicative in nature. We have a responsibility to identify reasonable ways to root out waste, streamline program creating and spending, and manage our limited resources so that we can serve folks better.

While it is important to identify and eliminate wasteful and inefficient programs, I also believe that we must support government policies that work. Rural health care programs operate on a shoestring budget. Current spending for all rural health discretionary programs is relatively small, but it plays a critical role in solidifying the fragile health care infrastructure common in rural communities. There are several important rural health programs such as: rural hospital flexibility grants, rural outreach program, trauma care, small hospital improvement program, health professions training, and rural access to emergency devices which all play a key role in delivering services to our medically underserved rural areas. The importance of these programs should not be undervalued. They meet our unique rural health needs by improving emergency medical service networks, developing chronic disease management programs, implementing quality improvement initiatives, and helping small rural hospitals unable to keep their doors open convert to Critical Access Hospital, CAH, status.

In Wyoming, rural health programs have made a real difference in the quality, access, and affordability of care available in our frontier communities. That is why I am extremely pleased to see the budget before us today assumes a $235 million increase for the Health Resources and Services Administration, HRSA, over the President's request. Chairman GREGG's mark clearly states this $235 million increase is primarily intended to support rural health programs. I want to take this opportunity to thank Chairman GREGG for his hard work and support of this important issue. These increases will go a long way toward helping rural hospitals and providers deliver essential health care services to many remote and medically underserved areas.

I also want to especially thank my colleague from North Dakota, Senator CONRAD, for consistently partnering with me to ensure fair and equitable rural health treatment in the budget process.

I now look forward to working with all members of the Senate Rural Health Caucus as we fight to ensure adequate funding for rural health programs during the fiscal year 2007 appropriations process.

Mr. BAUCUS. Mr. President, I rise today with my colleague, the distinguished Senator from Oregon, to speak out against the administration's proposal to fund the Secure Rural Schools Program with a fire sale of our public land. It is vital to rural Montana and rural America that we reauthorize and fully fund the Secure Rural Schools Program, but we should not do it by putting a ''for sale'' sign on our prime hunting and fishing lands.

The administration's padlock proposal to sell public lands to reauthorize the Secure Rural Schools Program sells rural America short. Montana and Oregon like many other States are outdoors States. We hunt. We fish. We take our kids hiking and camping. Our public lands are part of our recreational heritage as Americans. We should be increasing access for hunters and anglers, not putting more padlocks on more gates.

The administration's land grab proposal is bad for sportsmen, an it is bad for our schools. Back in 2000, I was proud to be a cosponsor of Senator WYDEN and Senator CRAIG's secure rural schools bill. The Secure Rural Schools Act has given counties more money, more certainty, and more flexibility. I would call that a pretty good solution. We should not be abandoning 6 years of success. It is vital to our rural communities that we reauthorize the Secure Rural Schools Act, and I will fight tooth and nail with Senator WYDEN to protect our public lands, reauthorize the Secure Rural Schools Act, and stop the administration's misguided land grab.

Mr. WYDEN, Mr. President, I am in full agreement with my friend and colleague from Montana. The idea to sell public lands to fund the secure rural schools reauthorization is a fundamentally flawed one. It pushes the debate over public lands and forestry back into the political briar patch despite the power of the legislation to bring traditional enemies together all across rural America in over 40 States and over 700 counties. It is because of the good work by my friend from Montana that this faulty idea is not assumed as part of this budget we debate today.

As Senator BAUCUS and I continue our exhaustive search in the next weeks for offsets to pay for the reauthorization of the county payments legislation, he and I will continue our work to defeat the ill-conceived and divisive idea of selling off public lands to pay for the continuation of such a collaborative and locally successful program. From his position as the ranking member of the Senate Finance Committee, on which I am privileged to serve with him, I feel sure that he will come up with the winning solution to offset the costs of reauthorizing this vital national program.

Mr. ENSIGN. Mr. President, last year when the Senate was considering the national intelligence reform bill, we adopted several recommendations of the 9/11 Commission.

One of those recommendations was to hire an additional 2,000 new Custom and border protection agents each year for the next 5 years. This body agreed with the recommendation. We agreed that our national security depended on such an investment, and we enacted that recommendation into law.

We are now considering a budget resolution that will determine whether Congress will keep the promise we made to the American people to protect our Nation's borders. There are many provisions in this budget that demonstrate a commitment to border security. I thank and congratulate Chairman Gregg for those provisions. But the budget that was reported out of committee includes funding for only 1,500 new agents in the coming year.

My amendment would provide $153 million to ensure that we hire 2,000 new agents next year. This amendment is fully offset. Let's face it—the threat of illegal border crossing by people who wish to kill us is very real. In order to prevent another terrorist attack on American soil, we must improve every aspect of our Nation's security. Our security is truly only as strong as our weakest link.

For too long, the lack of funding for border agents has been a weak link. By funding additional agents, we protect both our southern and our often neglected northern border. This will make it harder for terrorists to enter the United States and attack us.

There have been several news reports recently that I want to bring to my colleagues' attention.

Last year, intelligence officials confirmed that the terrorist, Zarqawi, plans to infiltrate America through our borders. He plans to attack targets such as movie theaters, restaurants, and schools. My amendment commits the resources to make sure that this does not happen.

Just last summer, in Detroit, a Lebanese national named Mahmoud Youssef Kourani, who was in the United States illegally, pled guilty in Federal court to conspiring to raise money for a recognized terrorist group. He was in the United States raising money to fund terrorists. That is outrageous. But what is equally outrageous is how he came into the United States in the first place.

Kourani took advantage of our porous border. Kourani paid a Mexican consular official in Beirut $3,000 for a visa to enter Mexico. Once in Mexico, he snuck across the U.S.-Mexican border in 2001 and settled in Michigan.

According to Federal prosecutors, Kourani and another member of his family are heavily involved with the same group that killed 214 marines in Beirut in 1983 and which is also responsible for bombing two U.S. Embassies.

While in the United States, Kourani also helped harbor other illegal immigrants. Thankfully, he was prosecuted before he could inflict any direct harm on any American.

Given how easy it is for people like Kourani to enter the United States, I believe that my amendment is imperative to our national security.

My amendment does not require any additional spending. It is completely offset. This amendment is paid for.

Homeland Security spending must be based on priorities. The fact that terrorists would use our borders to gain access to the United States to attack us is a real threat. So we must provide funds for Customs and border protection.

Four and a half years ago it only took 19 to change the course of this country. We must do everything that we can to prevent another terrorist attack on American soil.

The world has changed dramatically since 9/11 when the terrorists used our open and trusting society against us. We can not allow a repeat of that tragedy.

This amendment will help those who guard our frontiers by providing the necessary, and I stress necessary, tools to ensure the safety of our citizens.

I urge my colleagues to adopt my amendment.

Mr. JOHNSON. Mr. President, as we continue to debate the budget resolution, I wanted to raise an important issue with my colleagues. The budget for fiscal year 2007 that was proposed by the administration would discontinue all activities of the National Children's Study or NCS.

This important study which was authorized as part of the Children's Health Act of 2000, provides for the development and implementation of the largest longitudinal study of children ever conducted in the United States. The goal of the study is to improve the health and well-being of children. The information from this study will be used to determine and affect the major causes of childhood illness such as premature birth, asthma, obesity, preventable injury, autism, developmental delay, mental illness, and learning disorders.

These disorders, among many other high-frequency diseases that afflict children, result from the interaction of multiple biologic, genetic, chemical, social and behavioral factors that combine to determine health. Researchers will analyze how these elements interact with each other and what helpful and/or harmful effects they might have on children's health. By studying children through their different phases of growth and development, researchers will be better able to understand the role of these factors on health and disease.

The National Children's Study will follow a representative sample of America's children in order to identify causes and develop treatments of specific diseases, and develop population-based intervention strategies to prevent illness and ameliorate the impacts of poverty and substandard environments on children's growth, development, and mental health. This will include approximately 100,000 children from over 100 locations throughout the United States.

Since 2000, over 50 million has been spent planning the study. Over 2,500 scientists and community members from across the country have developed a study plan that defines research question, hypotheses, and critical exposure and outcome measures beginning before pregnancy and continuing throughout the life cycle of children. In 2005, the Study designated seven Vanguard pilot centers throughout the United States, including sites in California, New York, North Carolina, Pennsylvania, South Dakota, Utah, and Wisconsin to begin the study with over 100 additional sites planned across the Nation.

It is unfortunate that funding for the study was zeroed out the President's budget and would be extremely shortsighted to put off this study. While there are upfront costs to conduct a study of this size, they are dwarfed by the cost of treating the diseases and conditions it can be expected to address. The National Institute of Child Health and Human Development, NICHD estimates that the major chronic diseases the study will address directly cost American $269 billion per year. If the study were to result in only a 1 percent reduction in those costs, the expense of the entire 20-plus year study could be recouped in a single year.

The environment in which our children grow up has changed significantly over the past 50 years, resulting in increases in rates of diseases such as asthma, obesity, and learning and other developmental disabilities. In order to overcome these challenges, we need to invest in the National Children's Study, in addition to other research efforts to improve our understanding of how to prevent disease and improve the environments in which our children live.

As a parent of three children, and now a grandparent of three, I know how important it is to provide a healthy environment for our youth. I hope the future will be brighter for future generations, and one way we can make that happen is by finding the answers to many health questions that plague us today. The National Children's Study will be one of the richest information resources available to children's health and development and will form the basis of child health guidance, interventions, and policy for generations to come.

It is my hope that this body will do all it can to restore the cuts to the NCS and keep this critical work moving forward, and I will work with my colleagues through the Appropriations Committee to make that happen.

Mr. LEAHY. Mr. President, my amendment No. 3154 to the budget resolution would restore much-needed funding to the Bulletproof Vest Partnership Program. The administration's budget slashes this program by $20 million, which amounts to a 63-percent cut to a program that helps save the lives of law enforcement officers nationwide by providing State and local law enforcement agencies with the resources to help buy body armor for their officers.

My amendment supports the allocation of $41 million in funding for bulletproof vest partnership grants to fully fund it at the authorized level of $50 million in fiscal year 2007. The increase in funds is offset by discretionary spending reductions.

Our former colleague Senator Campbell and I authored the Bulletproof Vest Grant Partnership Act of 1998 in response to the tragic Carl Drega shootout in 1997 on the Vermont-New Hampshire border, in which two State troopers who lacked bulletproof vests were killed. The federal officers who responded to the scenes of the shooting spree were equipped with life-saving body armor, but the State and local law enforcement officers lacked protective vests because of the cost.

We have successfully reauthorized this program three more times: in the Bulletproof Vest Partnership Grant Act of 2000, in the State Justice Institute Reauthorization Act of 2004, and

most recently as part of the Violence Against Women and Department of Justice Reauthorization Act of 2005. It is now authorized at $50 million per year through fiscal year 2009.

Year after year, the Bulletproof Vest Partnership Program saves the lives and spares injuries of law enforcement officers nationwide by providing more help to State and local law enforcement agencies to purchase body armor. Since its inception in 1999, this highly successful DOJ program has provided law enforcement officers in 16,000 jurisdictions nationwide with nearly 350,000 new bulletproof vests. In Vermont, more than 150 municipalities have used this partnership help to purchase 1,400 vests. Without the assistance this program offers, I daresay there would be close to that number of police officers without vests in Vermont today.

Compounding the ongoing funding needs to help purchase vests, concerns from the law enforcement community over the effectiveness of body armor surfaced nearly 2 years ago when a Pennsylvania police officer was shot and critically wounded through his relatively new Zylon-based body armor vest. In August 2005, the Justice Department announced that test results indicated that used Zylon-based vests may not provide the intended level of ballistic resistance. Unfortunately, an estimated 200,000 of these faulty vests have been purchased—many with vest partnership funds—and now need to be replaced.

We know that body armor saves lives, but the cost has put these vests out of the reach of many of the officers who need them. This program makes it more affordable for police departments of all sizes. Few things mean more to me than when I meet Vermont police officers and they tell me that the protective vests they wear were made possible because of this program. This is the least we should do for the officers on the front lines who put themselves in danger for us every day.

I want to make sure that every police officer who needs a bulletproof vest gets one. If the Senate approves this amendment to fully fund this program at $50 million, then we will be on our way to helping ease the burden faced by officers and their families and to further our mission to provide every police officer who needs a safe vest with the means to purchase one.

Mr. JOHNSON. Mr. President, as a member of the Budget Committee, I am deeply disappointed that the budget we are considering and the one proposed by the President last month will make finding adequate funding for so many of our Nation's domestic priorities exceedingly hard to achieve.

Budgets are about priorities—hard-working South Dakota families know that because they have to make priorities in their family budget every day. Unfortunately, the President and the Republican leadership in Congress fail to make investments in key programs that assist average, hard-working Americans.

Federal education mandates are woefully underfunded. Yet the President's budget proposed the largest cut to Federal education funding in the Department of Education's 26-year history. Further, for the second year in a row, the administration proposed a 5-percent across-the-board cut to crop and dairy payments for producers. As well, the President's budget included $16.9 billion in cuts to Medicaid and about $35 billion in cuts to Medicare over 5 years. While I am pleased the Senate budget resolution does not contain all of the President's budget cuts, we cannot continue to try to balance the budget on the backs of students, farmers and ranchers, and seniors.

While the administration is advocating cuts to important domestic programs, it is estimated that the cost of the Bush tax cuts for those making over $1 million annually will be more than $41 billion in fiscal year 2007 alone.

Despite what the leadership likes to say about their budget, this is not a fiscally responsible budget. I think it is time we put our Nation's finances back in order. This budget assumes that the deficit for fiscal year 2007 will be $359 billion, and decline to $177 billion in fiscal year 2011. However, these assumptions omit items like the cost of extending expiring tax cuts, fixing the alternative minimum tax, AMT, the ongoing war costs, and the spending of the Social Security and other trust funds. When these costs are included, the Nation's debt will increase by more than $600 billion every year over the next 5 years.

To put this in perspective, consider how much U.S. debt is held by foreigners. It took 224 years and 42 Presidents—all of our Presidents from Washington to Clinton—to have $1 trillion in debt held outside our country. In just 5 years, that foreign debt level has more than doubled.

I believe one of the best ways we can restore fiscal responsibility is to reinstate the pay-as-you-go rules that were in effect from 1991 to 2000. The pay-go rule simply means that if you want additional mandatory spending or tax cuts, you have to pay for them by offsets or obtain a supermajority vote to pass them. Unfortunately, the Senate failed to adopt a pay-go rule to the budget resolution yesterday on a tie vote of 50–50.

Instead, we are being asked to support a budget that I don't think reflects the values and priorities of a majority of South Dakota families, and does not restore fiscal responsibility. I will continue working in a bipartisan manner to make improvements in the fiscal year 2007 budget and restoring our Nation's fiscal strength.

Mr. SALAZAR. Mr. President, as we debate the Senate budget resolution for fiscal year 2007 and the bill before us now to raise the debt ceiling, I want to talk for a moment about the broader issue of fiscal responsibility and honesty.

We are about to significantly raise the limit on our national debt for the fourth time in the past 5 years, this time to nearly $9 trillion. With deficits as far as the eye can see, we are on an unsustainable budgetary path that threatens not only to severely restrict our Government's ability to provide critical services but to cause irreparable damage both to our economy and our influence in the world community.

Alan Greenspan articulated our situation clearly in his last months as Chairman of the Federal Reserve Board. Mr. Greenspan said, ''our budget position will substantially worsen in the coming years unless major deficit-reducing actions are taken . . . crafting a budget strategy that meets the nation's longer-run needs will become more difficult the more we delay.''

Even more troubling, our deficits are worse than they seem. While the Congressional Budget Office has estimated the size of this year's deficit at $371 billion, that figure does not account for the tens of billions of dollars of emergency supplemental spending that we can all anticipate to address needs in Iraq and Afghanistan. It also does not include the $180 billion we are raiding from the Social Security trust fund, nor does it take into account the interest we will need to pay on the additional debt. As Senator CONRAD has pointed out, we anticipate the national debt will increase by $654 billion this year.

Six years ago, we were running a budget surplus. While the national debt was $5 trillion, for the first time in almost 20 years, we found ourselves in a position where we could start to pay off some of that debt. We knew we would soon face the demographic pressures associated with the retirement of the baby boom generation, but we had the resources at our disposal to begin preparing for those pressures.

Now, just 6 years later, the circumstances that gave us a reason to be optimistic have all but dissolved in a sea of irresponsible fiscal policies, dishonest accounting, and partisan opportunism.

To be sure, not everything that brought us to this point was within our control. The terrorist attacks of September 11, 2001, shook our economy, gave rise to new and unexpected costs, and rightly caused us to shift our national focus to the threat of international terrorism—sometimes, unavoidably, to the detriment of our ability to sufficiently focus on our looming fiscal challenges.

Having said that, much of what led to our current crisis was within our control. The fairness of the multiple tax cuts that Congress passed in the last 5 years was certainly within our control.

Whether or not those tax cuts were paid for was certainly within our control.

And whether or not we are honest about including the costs of the ongoing military efforts in Iraq and Afghanistan, the need to provide continuing relief for middle-class families from the alternative minimum tax, and the inevitable costs associated with any proposal to address the problems faced by our entitlement programs is certainly within our control.

We must be more responsible and more realistic.

First, we must begin working today to prepare for the retirement of the baby boomers. While the situation is not as dire as some would have us believe, the Social Security system cannot support itself in its current form forever. We need to make tough decisions in order to restore that program to a path of solvency.

In addition, with health care costs skyrocketing, we need to take a hard look at Medicare and Medicaid in order to ensure they can continue to provide high-quality care for the elderly and the poor. Again, the problems associated with these programs will only grow with the retirement of the baby boom generation, and we need to act now to avert a full-fledged fiscal disaster.

Second, we must be more realistic about aligning our tax policies with our spending policies. American families understand the simple fact that you cannot spend more than you take in. Yet this fact seems to escape this administration and the current congressional leadership. Year after year, we see massive spending reductions in vital programs followed up by even bigger tax cuts.

Contrary to what some seem to believe, the tax cuts of the past 5 years are not going to pay for themselves. While I support many of those tax cuts— particularly those that benefit middle-class families—it is undeniable that they have resulted in lower revenue for the Federal Government and will continue to do so in the long run. This is especially in light of the fact that they were not paid for and will therefore add to the national debt and increase the associated interest costs.

Third, we cannot afford to be dishonest about costs we know we will face. The President's budget contained no funding for the military operations in Iraq and Afghanistan beyond next year. Yet the Congressional Budget Office has said we should expect to pay $312 billion in war-related costs for the period between 2007 and 2016.

Furthermore, we know we will need to provide relief from the alternative minimum tax for middle-class families. The Senate recently passed legislation that would contain a 1-year fix of the AMT at the price tag of $30 billion. The cost of providing AMT relief for the next decade is estimated at $1 trillion. Yet neither the President's budget request nor the proposal before the Senate includes the cost of providing any AMT relief beyond this year.

And this is to say nothing of how costly it would be to make permanent the President's 2001 tax cuts, which is something we all know he will try to do. A recent estimate by the Center on Budget and Policy Priorities indicated that the cost of extending the President's tax cuts through 2016 would be nearly $2 trillion.

This debate is as much about honesty as it is about crunching numbers. How can we expect to be adequately prepared for the looming influx of Americans into the Social Security, Medicare, and Medicaid programs if we are not honest about costs we know we will have to deal with—and not just over the long term but this year?

Yet another troubling symptom of our current misguided policies is the growing percentage of our debt that is being purchased by foreign investors. As Senator CONRAD has repeatedly pointed out in recent weeks, the level of debt purchased by foreign investors under President Bush is more than twice the amount purchased by foreign investors under the previous 42 Presidents combined. Foreign investors—whether it be the central banks of foreign countries or private investors—now own nearly half of all publicly issued U.S. debt.

I was astounded by the following statistics. According to the Economic Policy Institute, if foreign lenders keep buying U.S. debt at their current rate, the Federal Government will owe $3.8 trillion to foreign lenders by 2011, an amount equivalent to 23 percent of expected gross domestic product for that year. We will owe those lenders $181 billion in interest alone.

To provide some context, that amount is 2½ times the size of the entire fiscal year 2007 budget for the Department of Veterans' Affairs.

I realize that we cannot fix all of these problems this week, or even this year. But we can start to bring some sense to our Nation's fiscal priorities by going on record in support of our most critical programs and by embracing fiscal responsibility.

It is why I have consistently cosponsored classic pay-go proposals, which aim to ensure that both spending increases and tax cuts are fully paid for.

There is much more that is wrong with the Government's fiscal practices and priorities than what I have discussed today. Among other things, I do not believe that our budget goes far enough in supporting rural America; I do not believe it does enough to provide resources to State and local law enforcement; and I do not believe it does enough to promote community development.

More than anything, however, the debate on the Senate floor this week is about our broader priorities as a nation. It is about whether we value candor and responsibility over partisan opportunism. If we do not act soon to reverse our direction, we will have made our decision, and it will have been the wrong one.

Mr. REED. Mr. President, the Humphrey Hawkins Act of 1978 specifies that time should be set aside in the consideration of the budget resolution for debate on economic goals and policies. As the ranking member of the Joint Economic Committee, I rise today to talk about how the budget submitted by President Bush and the version of that budget which we are debating this week in the Senate embody the wrong goals and policies to address the challenges facing the American economy.

If you listen to the President and my colleagues on the other side of the aisle, you would get the impression that the economy is in good shape and that their policies have been successful. But if you listen to the American people you know that there is considerable anxiety about the economy and considerable disapproval about how the other side has managed economic policy.

The American people are right. All is not well with the Bush economy and the President's economic policies. President Bush likes to cite statistics on how fast the economy is growing and how much productivity—the output a worker produces in an hour—has increased. What he doesn't mention is that on his watch the economy went through the most protracted jobs slump in decades; that there is still considerable evidence of lagging labor force participation and hidden unemployment; and that the benefits of productivity growth have been showing up in the bottom lines of companies rather than in the paychecks of workers.

The President doesn't mention that disparities in wages and incomes are growing wider. Those who are already well-to-do are continuing to do very well. But the typical American family is struggling to make ends meet in the face of rising costs for energy, health care, and a college education for their children.

The administration and its supporters will not take responsibility for the failure of their policies. They say that their tax cuts are working and that all the American economy needs is more tax cuts. But the Bush tax cuts have not created an economy that works for ordinary Americans and they have mortgaged our future. Responsible analysts have shown that the President's tax cuts for the rich were poorly designed for generating jobs and putting people back to work in the wake of the 2001 recession. They had very low ''bang-for-the-buck'' in terms of job stimulus in the short run, but they were so massive that they created a legacy of large budget deficits and mounting debt that will be a drag on the economy in the long run.

President Bush has squandered the hard-won fiscal discipline achieved in the 1990s. He inherited a 10-year budget surplus of $5.6 trillion and turned it into a stream of deficits.

This year's budget gives the illusion that we will be making substantial progress in reducing the deficit over the next few years. But that is not

what responsible analysts say. They point out that a realistic budget assessment shows continuing structural deficits over the next several years and a potential explosion of the deficit once the costs of the baby-boom generation's retirement kick in fully.

With a $5.6 trillion 10-year budget surplus now a deficit of at least $2.7 trillion, this administration has turned us into a nation of debtors, relying on the rest of the world to finance our budget deficits and the rest of our excessive spending. Yesterday we learned that the current account deficit—the broadest measure of our international payments imbalance—was $805 billion last year, an amount equal to 6.4 percent of GDP. That is a record both in dollar terms and as a share of GDP.

The ballooning international trade and budget deficits dramatize the misplaced fiscal priorities of the President and the Republican Congress. The administration's large Federal budget deficits and mounting Federal debt are putting enormous pressure on the trade deficit and the dollar. We are mortgaging our future to foreign investors and foreign governments instead of getting our fiscal house in order and boosting our own national saving.

And we are not investing in people here at home the way we should be. A new analysis of the President's budget by the Democratic staff of the Joint Economic Committee shows that the President's policies would add to the deficit and reduce investments that aid moderate- and lower-income families in order to pay part of the cost of tax cuts going disproportionately to those with very high incomes.

The JEC Democratic staff analysis shows that the burden of cuts in those programs that provide benefits to individuals would be borne disproportionately by families in the bottom 40 percent of the income distribution. The share of spending cuts borne by those families would be disproportionate to their share of aggregate family income and to the share of any benefits they could expect to receive from the President's proposed tax cuts.

Families in the bottom 20 percent of the income distribution would absorb 32 percent of the cuts in payments for individuals, even though their share of aggregate family income is only 3 percent. Families in the next lowest fifth of the income distribution, with 8 percent of aggregate family income, would bear 23 percent of the budget cuts in payments for individuals.

Disparities in the impact of the President's budget proposals on families in different parts of the income distribution are even more pronounced when the tax cuts are taken into account. Families in the bottom 40 percent of the income distribution would receive only 6 percent of the benefits from tax cuts while bearing over half the burden of the spending cuts. In contrast, families in the top 20 percent of the income distribution would receive over 70 percent of the benefits of the tax cuts while bearing only 14 percent of the burden of the spending cuts.

The net impact of those cuts would leave families at the bottom of the income distribution shouldering nearly all of the pain while families at the top of the income distribution would reap nearly all of the net benefits.

A budget resolution that echoes the President's budget neither meets the pressing needs of the American people nor addresses the long-term challenges that lie ahead. Clearly, we're in for another year of policies that do little to help the average family or bring down the deficit.

A long-term budget and economic disaster looms if we don't restore fiscal discipline. The President's large and growing Federal budget deficits leave us increasingly hampered in our ability to deal with the host of challenges we face. We need policies that address the problems facing the country's most disadvantaged citizens and help ordinary working families deal with job and retirement insecurity and the rising costs of energy, health care, and education for their children.

We can and should do better.

Mr. OBAMA. Mr. President, I rise today to speak about the budget resolution.

A budget is about choices. It is about tradeoffs. It is about weighing competing priorities and conflicting objectives and figuring out what matters most for Americans.

Unfortunately, the budget we have before us makes the wrong choices. Instead of tackling Federal deficits and rising debt, this budget worsens them. Instead of strengthening our schools so America can be competitive in a global economy, this budget weakens them. Instead of taking bold action against poverty as the President promised after Katrina, this budget cuts important services that Americans depend on.

Budgets matter because the tradeoffs we make matter, and this budget makes the wrong tradeoffs. It extends tax breaks aimed at millionaires while doing nothing to expand opportunity for working Americans. It claims to be fiscally responsible while ignoring billions of dollars of Government spending for ongoing military operations overseas.

At a time when we have maxed out our borrowing, this budget has us borrowing more. At a time when we have already cut certain programs beyond the level of efficiency, this budget cuts them some more. At a time when we have already lavished tax breaks on the wealthiest people and corporations, this budget lavishes even more.

As I talk to families in Illinois—farmers and small businesspeople, teachers and veterans, salespeople and service workers, doctors and senior citizens, people prospering and those struggling at the margins—I see people dealing with real issues and real problems. I see people concerned about our national security and our domestic security. I see people worried about what they see and what they don't see happening here in Washington.

Unfortunately, this budget that we are debating today gives Americans little reason to have confidence in their Government. This budget gives them little reason to think that their elected leaders are paying attention.

Many of my Democratic colleagues and I have been offering amendments over the last few days. Together we are troubled by this budget and doing our best to ensure that it reflects at least some of America's cherished values. A few of my Republican colleagues have also joined us in trying to improve this bill.

I was disappointed on Tuesday by the failure of the Senate to pass the Pay-go amendment to restore discipline to our budgeting process. That vote was bipartisan and very close, and I hold out hope that this body will soon restore budget rules that work to reduce deficits and restrain debt. But there are still opportunities to make this resolution more responsive to the needs and concerns of the people in Illinois.

For example, I appreciate the willingness of Senator GREGG and Senator CONRAD, as the managers of this bill, to accept an important amendment of mine that addresses the problem of homeless veterans.

Each and every night, more than 200,000 of our Nation's veterans are homeless. More than 400,000 will experience homelessness over the course of a year. In my hometown of Chicago, as many as 38,000 veterans spend a night homeless over the course of a year.

It is one the great tragedies of this Nation that brave men and women who risked their lives for us have no place to turn to and no place to call home.

There is no single cause for homelessness among veterans. Homeless vets are men and women, single and married. They have served in every conflict since World War II. Many suffer from posttraumatic stress disorder or were physically and mentally battered in combat. A large number left the military without job skills that could be easily transferred to the private sector. Regardless of the cause, we know that there are ways to combat this crisis.

My amendment devotes a small amount to begin addressing this problem by building on existing proven programs. For nearly 20 years, the Homeless Veterans Reintegration Program has helped get veterans off the streets with intensive services that are unavailable elsewhere and really get to the heart of the causes of homelessness.

HVRP grant recipients provide clothing and food to help stabilize veterans, they provide mental health and substance abuse counseling, and they provide employment services and housing assistance to allow them to reenter society. Some HVRP programs even employ formerly homeless veterans to serve as counselors and role models to other veterans. HVRP offers specialized

support for veterans who are turned away from other programs. In short, HVRP is a cost-effective and proven way to help veterans who have no place else to turn.

The budget currently flatlines spending for the HVRP at $22 million, which is only 44 percent of the authorized level. At this amount, we will only be able to serve 16,250 veterans next year.

My amendment increases HVRP to its full authorized amount, an increase of $28 million. This will help us reach approximately 36,820 homeless veterans. This is still less than 10 percent of the total need, but it is an important start. My amendment will also devote an additional $12 million to the Department of Labor to improve jobs services for hard-to-place veterans. This is a modest increase of 6 percent over last year.

Every day, we walk past men and women on street corners with handwritten signs like ''Homeless Veteran—Need Food.'' Sometimes we give a dollar, sometimes we just keep walking. These are soldiers who fought in World War II, Vietnam, and Iraq.

We cannot allow the proud shoulders that have carried the weight of liberty to be broken by the terrible burden of homelessness and hopelessness. We owe our veterans more than an emergency shelter cot or a cardboard box beneath an overpass. We owe them a chance to enjoy the dignity and respect they earned fighting for our freedom.

These men and women served us without fail when we needed them, and now we must do the same for them.

I thank Senators GREGG and CONRAD for accepting this amendment.

Mr. President, I hope we can continue to improve this budget. But, until we have a fiscally responsible budget that makes the right choices for America, I owe it to the people of Illinois to reject it.

I hope it won't be too long before this body can get serious about solving the real problems we face as a country and preparing for the new challenges and opportunities we will face in the years ahead.

VOTE EXPLANATION

Mr. BAUCUS. Mr. President, I regret that I was unable to vote in support of Senator LIEBERMAN's amendment 3034 to the fiscal year 2007 congressional budget resolution. It is critically important to protect the American people from terrorist attacks. This amendment would have done so by providing $8 billion in additional funds for homeland security. These funds would have come from restoring cuts to vital first responder programs in the Departments of Homeland Security and Justice. It also would have provided an additional $1.2 billion for first responders, $1.7 billion for the Coast Guard and port security, $150 million for chemical security, $1 billion for rail and transit security, $456 million for FEMA, $1 billion for health preparedness programs, and $752 million for aviation security.

At the time of this vote I was meeting with a group of Montana's high school students from Project Close-Up. This program introduces young people to Washington, DC and to the U.S. Government. I believe it is very important to give these students the unique opportunity to meet with their State's Senators in person—it is a tradition I have maintained for years. It is unfortunate that this vote to support homeland security occurred at the same time as the visit. For this reason, I must make it clear that I firmly believe in properly funding homeland security. I was one of the first Senators to visit New Orleans and the gulf coast after Hurricane Katrina and I recognize that FEMA needs more funding to improve their mission and ability to properly respond to disasters.

Most importantly, our first responders in Montana are the backbone of emergency services in our State. We are a rural State, and our police and fire departments and hospitals call upon them to react across many miles to keep Montana's citizens safe. I have always voted in favor of these efforts in the past and I pledge to do so in the future.

Mr. GREGG. Mr. President, Senator CONRAD and I are fortunate to have an outstanding staff serving the members of the Senate Budget Committee. These professionals work long hours and take great pride in the work of the committee and the institution of the U.S. Senate.

I would like to take just a few minutes today to single out two of these talented individuals who work on the majority side or Republican committee staff.

David Fisher serves as our health policy director on the committee. As Willie Sutton said, ''You rob banks because that's where the money is,'' and with respect to the Federal budget, the money is in health care. Medicare, Medicaid, and Social Security are three programs that David handles for our team, and these three programs are on a glidepath to consume over 20 percent of this Nation's gross domestic product in about 30 years. If we do not find a way to control the growth of spending for these programs, there simply will not be resources available for all other priorities, from national defense to homeland security to science and research.

David came over to the Budget Committee from the Health, Education, Labor, and Pensions Committee in 2005. David holds a master's in public policy degree from Georgetown University. He has held a number of key positions in both the Senate and the House of Representatives having served as both a chief of staff and legislative director.

David is one of those rare individuals who can drill into specific programmatic detail and simultaneously understand the broader policy and political context in which programs operate. He is a perfectionist. David has a complete top-to-bottom understanding of medical and health care programs and has staffed me with distinction with such issues as bioterrorism, medical liability reform, and FDA drug approval. Most recently, he has been working tirelessly on Avian flu preparedness.

David Fisher has earned a reputation around town, here in Congress, and down at the White House as an expert on health issues. Few people who have worked with David have not been impressed with intellect and dedication. I am proud to have him on my team.

For many people, the budget resolution is just a compilation of accounts and dollar levels. But the budget is much more. The budget is a framework, a blueprint for the Federal Government and fiscal policy. Maybe good public policy states that policy drives budgets, but it is no secret that in Washington budgets often drive policy. The budget and our resolution have a real impact on the financial markets and economy.

When I took over the committee, a number of people advised me to make sure that we employed a talented economist. We are fortunate in Dan Brandt to have just that.

Dan Brandt serves as our Committee chief economist, and he also serves as analyst for a number of budget functions, such as what we call function 370 or commerce and housing credit. Dan is our expert who keeps on top of what the economy is doing, what is happening at the Federal Reserve, at the Securities and Exchange Commission, at the stock exchanges, and international finance. Dan is our ''go to guy'' for understanding the latest GDP and employment statistics, inflation, and other economic data. He is our expert on tax policy and works closely with the Finance Committee in ensuring that we are advocating progrowth tax policies. He works closely with the Banking Committee on a number of issues affecting financial institutions and the lending industry.

Dan's academic background is in business administration and economics at the Johns Hopkins University, the American University, and the Frei Universitat in Berlin, Germany. Prior to joining the committee, Dan worked in the House of Representatives, at Solomon Smith Barney, and at the International Trade Administration in the U.S. Department of Commerce. During 2004, Dan Brandt worked on President George W. Bush's reelection campaign where he handled tax and economic issues.

Dan is a workhorse for the committee. Few people could serve as a guide through the intricacies of economic forecasts and the budget rules—Dan can do both. The technical accuracy and effectiveness of his work products is a matter of personal pride. I have learned that he is a professional staff member in every sense of the word. I will conclude by just saying that Dan Brandt is a real credit to the Senate, and we are fortunate to have him here on our Budget Committee and as part of my team.

Mr. President, we are now able to go to final passage. Before we go to final passage, I wish to begin by thanking Senator CONRAD and his extraordinary staff.

AMENDMENT NO. 3081 WITHDRAWN

Before I do that, I ask unanimous consent to withdraw the pending amendment No. 3081 at the desk.

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

Mr. GREGG. Mr. President, we are now able to go to final passage. Before we go to final passage, I wish to begin by thanking Senator CONRAD and his extraordinary staff, led by Mary Naylor. They have been incredibly cooperative. They are always extraordinarily professional. There is no question but we would not have been able to complete this—in what may not seem timely to most folks because we have been here all day but is—quite honestly we could have been here into tomorrow or Saturday without the extraordinary cooperation of the Senator from North Dakota and his team. I thank him for his professionalism and their team.

I also thank my Committee on the Budget staff. They have worked tirelessly and continuously on this budget for the last 6 weeks. They literally have gotten very little sleep, especially, of course, Scott Gudes, my budget leader, and Denzel McGuire, his top assistant. They did a great job of organizing, especially today, the amendments.

Jeff Turcotte, Dave Myers, and Sam Donoghue of our communications team, who has tried to compete with the chart machine on the other side of the aisle, they have come close. They have done a great job. Jim Hearn and Cheri Reidy, David Pappone and Gail Millar, are the specialists who make this place work. The cornerstone of the great team, John Mashburn, and Vas Chrisopoulos, my AA who keeps everything humming along and does an incredible job on my personal staff, and I thank the leadership staff. There are an awful lot of good people working for the leadership around here. They should be acknowledged for their tremendous work.

Let me thank the clerks and all the Senate staff. They have worked all day with virtually no break, along with the Reporters of Debates. I thank everyone for an extraordinary amount of commitment to making this place work correctly.

This budget is now on the verge of being passed. It is the first step in the process. As I have said before, it is the responsibility of governance to pass a budget. That is our responsibility as Senators. This is a responsible budget. It is not everything I wanted, obviously, but it is a step in the right direction. It is a step on the road, and it is a positive step on the road.

Rather than prolong the discussion, because we have had a lot of discussion on it, I will now yield the floor to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first, I want to indicate that we may have one matter to conclude before we end.

AMENDMENT NO. 3023, AS MODIFIED

Mr. President, I send to the desk amendment No. 3023, as modified, and ask unanimous consent that it be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 3023), as modified, was agreed to, as follows:

(Purpose: To strengthen homeland security by adding $10 million to National Defense for an interoperable and survivable mobile wireless communications network enabling clear, reliable communications among DoD and first responders for the military homeland defense command)

On page 9, line 20, increase the amount by $10,000,000.

On page 9, line 21, increase the amount by $10,000,000.

On page 27, line 23, decrease the amount by $10,000,000.

On page 27, line 24, decrease the amount by $10,000,000.

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

The PRESIDING OFFICER. The clerk will please call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, we are prepared to go to final passage. We cannot do that without first thanking people. This has been a marathon, and people—many people—have worked around the clock to get us to this position.

Let me thank a colleague because we would not be finishing at 7:15 without the extraordinary work of Senator PATTY MURRAY.

Thank you, PATTY.

She convinced literally dozens of our colleagues to drop amendments tonight; otherwise, we would have been here until 2 o'clock in the morning. So special thanks to her.

And thanks to my staff director, Mary Naylor; and John Righter, my deputy staff director; Lisa Konwinski, my counsel; and, most of all, my chart master, Kobye Noel.

And thanks to the staff of Senator GREGG: Scott Gudes and Denzel McGuire, outstanding professionals.

Of course, my personal thanks to the chairman of the committee, who has been so decent to deal with, and so honorable to deal with.

On our side, Mr. Chairman, we thank you for your courtesies.

With that, let me conclude on the budget itself.

Mr. GREGG. No.

Mr. CONRAD. Oh, yes.

Borrow and spend—that is what this budget represents.

Mr. President and colleagues, as shown on this chart, this is what is going to happen to the debt under this budget. It is up, up, and away. A vote for this budget is a vote for more debt, higher interest rates, a weaker economy, the export of American jobs, the selling off of America, piece by piece.

Colleagues, we could do a whole lot better than this. I urge my colleagues to vote no.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I have been asked to remind Senators that there will be two more votes, after the final vote on the budget, on judges.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on the adoption of the concurrent resolution.

The clerk will please call the roll.

The legislative clerk called the roll.

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—51

Alexander	Domenici	McConnell
Allard	Enzi	Murkowski
Allen	Frist	Roberts
Bennett	Graham	Santorum
Bond	Grassley	Sessions
Brownback	Gregg	Shelby
Bunning	Hagel	Smith
Burns	Hatch	Snowe
Burr	Hutchison	Specter
Chambliss	Inhofe	Stevens
Coburn	Isakson	Sununu
Cochran	Kyl	Talent
Cornyn	Landrieu	Thomas
Craig	Lott	Thune
Crapo	Lugar	Vitter
DeMint	Martinez	Voinovich
Dole	McCain	Warner

NAYS—49

Akaka	Dorgan	Menendez
Baucus	Durbin	Mikulski
Bayh	Ensign	Murray
Biden	Feingold	Nelson (FL)
Bingaman	Feinstein	Nelson (NE)
Boxer	Harkin	Obama
Byrd	Inouye	Pryor
Cantwell	Jeffords	Reed
Carper	Johnson	Reid
Chafee	Kennedy	Rockefeller
Clinton	Kerry	Salazar
Coleman	Kohl	Sarbanes
Collins	Lautenberg	Schumer
Conrad	Leahy	Stabenow
Dayton	Levin	Wyden
DeWine	Lieberman	
Dodd	Lincoln	

The concurrent resolution (S. Con. Res. 83), as amended, was agreed to.

(The resolution will be printed in a future edition of the RECORD.)

Mr. FRIST. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I would be remiss if I did not make at least a short statement on the budget we just passed. I agree with those who believe that government is simply out of control. We just passed a budget that promises a budget deficit in the vicinity of $400 billion, a truly staggering amount of money. Our Federal Government is borrowing in excess of a billion dollars a day to fund the awesome amount of obligations that we have authorized. While I would have preferred

a vastly smaller budget today, I know it is simply not politically feasible to do so at this time. I pledge to work toward creating an environment where we can achieve responsible spending and fiscal sanity while meeting our obligations. The budget we have just passed does represent a step, albeit a small one, toward fiscal responsibility. Getting our entitlement spending under control, reining in earmarks and other wasteful discretionary spending, and maintaining the conditions necessary for strong, stable economic growth are all necessary to achieve a balanced budget, and it will take the concerted efforts of each and every one of us to achieve this in the future.

Mr. FEINGOLD. Mr. President, today, the Senate allowed its budget process to be hijacked by those seeking to move a policy issue that has been rightly rejected so many times. I opposed the manipulation of process in the Budget Committee and I opposed final passage this evening. Using the reconciliation process to advance a single controversial policy—a policy that should be considered through the appropriate legislative channels—is shameless.

We debated drilling in the Arctic last spring. We debated it again last fall, and at that time, a number of House Republicans shot the idea down. Then, in December, we wasted more time on the issue. This year, nine members of the Budget Committee reached out ahead of time to Chairman GREGG and Ranking Member CONRAD asking that the budget process not be used to revisit drilling in the Arctic Refuge, and yet, it was. I ask unanimous consent that a copy of the letter be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, March 6, 2006.

Hon. JUDD GREGG,
Chairman, Budget Committee,
Washington, DC.
Hon. KENT CONRAD,
Ranking Member, Budget Committee
Washington, DC.

DEAR CHAIRMAN GREGG AND RANKING MEMBER CONRAD: As members of the Budget Committee, we write to express our opposition to the inclusion of any language or mechanism in the fiscal year 2007 budget resolution that assumes revenues from drilling in the Arctic National Wildlife Refuge or allows for the insertion of any provision that opens the Coastal Plain of the Refuge to oil and gas drilling and exploration. We also strongly oppose the inclusion of any Arctic Refuge reconciliation instructions for the Energy Committee in the budget resolution.

It is irresponsible to base the country's budget on highly speculative and dubious projections of lease revenues for the coastal plain of the Arctic National Wildlife Refuge. The reality is that leasing portions of the Arctic Refuge would likely not bring in the assumed levels of revenue to the federal treasury, and yet, the Congressional Budget Office (CBO) assumes $6 billion in revenue from leasing of the Arctic Refuge, and the President's fiscal year 2007 budget proposal presupposes $7 billion in revenue from a 2008 Refuge lease sale. Previous drilling proposals called for leasing between 400,000 and 600,000 acres of the Arctic Refuge. The Administration proposal would therefore require that industry bid at least $11,667 per leased acre. The facts of oil and gas leasing on Alaska's North Slope and elsewhere in the country show that such a proposal is far out of touch with reality:

Since 1991, 38 leases on the North Slope and in near-shore waters have brought in an average of only $64.38 per leased acre. The Administration's projection is 181 times this historic average.

Last year, the oil industry bid $161.55 per acre for areas offshore of the Arctic Refuge—an amount that is nearly an order of magnitude lower than the Administration's projections.

The CBO acknowledged in December 2005 that higher oil prices do not necessarily result in higher lease bids when it wrote that other factors, such as operating and capital costs and the attractiveness of competing projects elsewhere, influence bid amounts.

The North Slope leasing history demonstrates CBO's point. In the last five years, when North Slope crude averaged $33.60 a barrel, the average price per acre was $48.15. In the five years prior to that, when North Slope crude averaged $19.60, the average price per acre was $93.58. Additionally, preliminary analysis of two lease sales held on March 1, 2006 reveals an average per acre price of less than $40 on a day when North Slope crude was selling for $59.11.

This kind of budget charade will simply not help reduce our huge and growing federal deficit.

As we all know, the President acknowledged our addiction to oil during his State of the Union address. As with any addiction, recognition of the problem is the first step toward change. Thus, now more than ever, instead of looking to drill to the past in areas such as the Arctic National Wildlife Refuge, we should truly dedicate ourselves to a cleaner energy future. The American people expect Congress and the Administration to stop wasting their time on dead-end drilling schemes and to instead chart an energy vision reflective of the 21st century.

Again, we encourage you to reject any requests that are intended to misuse the budget process to open the Refuge to oil and gas drilling and exploration and we thank you for your consideration of this matter.

Russ Feingold, Patty Murray, Tim Johnson, Bill Nelson, Robert Menendez, Paul S. Sarbanes, Ron Wyden, Robert C. Byrd, Debbie Stabenow.

Mr. FEINGOLD. Mr. President, I oppose drilling in the Arctic National Wildlife Refuge, but if we are going to debate this policy, we should do so openly—not through a backdoor budget maneuver. My colleagues who want to open the Arctic Refuge to drilling should go through the regular legislative process that the rest of us use to advance policy initiatives. After all, what message do you send when you manipulate a process simply because the normal procedure does not give you the outcome you want? That is not a message this body should endorse.

Proponents will say that using the budget process is the only way they can get an up-or-down vote. My response is simple. I know how hard it is to be very close to having the votes to pass legislation, but not quite being there. Senator MCCAIN and I worked very hard on our campaign finance reform legislation to get the votes needed to move forward—it took years—but we stuck with it until we could get the legislation passed. We fought hard but we fought fair. We did not—and we would not have—tried to advance our legislation by manipulating the budget process. This single reconciliation instruction opening up the Arctic National Wildlife Refuge is simply out of bounds.

My concerns, however, go beyond the obvious abuse of process. The bottom line is that the revenue assumptions are highly speculative and in no way reflect reality. For a second, let's ignore the fact that last year a Bush adviser was quoted as saying that ''even if you gave the oil companies the refuge for free, they wouldn't want to drill there'' and let's look at the numbers.

The Congressional Budget Office assumes $6 billion in revenues while the President's budget puts the number at $7 billion. Based on past proposals, 400,000 to 600,000 acres in the Arctic National Wildlife Refuge would be on the leasing block. Therefore, to achieve the administration's estimate, companies would have to pay between $17,500 and $11,667 per acre to make it to the $7 billion level. To get to CBO's estimate, they would have to pay between $15,000 and $10,000 per acre to get to a total of $6 billion. Now let's consider these numbers a bit more closely to see how they line up with reality:

Since 1991, 40 lease sales on the North Slope and in near-shore waters have brought in an average of only $60.47 per leased acre in real 2006 dollars. CBO's projections are 165 times greater than the inflation-adjusted average during the last 16 years.

Think that higher gas prices will mean higher lease bids? Think again. In December of 2005, CBO said that higher gas prices at the pump don't directly translate into higher lease bids by oil companies, and cited other factors—such as operating and capital costs and the attractiveness of competing projects elsewhere—that influence bid amounts.

Additionally, the reconciliation instruction assumes $3 billion in Federal revenues, based on a 50/50 split between the State of Alaska and the U.S. Treasury. Given public statements by members of the Alaska delegation, as recently as last December, this 50/50 split is, at best, speculative.

Some may argue that oil company activities in the Arctic Refuge could be done in an environmentally safe manner. I would point out to them that earlier this month the largest crude oil spill in the history of oil and gas operations was discovered on Alaska's North Slope. To quote an employee of the Alaska Department of Environmental Conservation, ''Hopefully, the tundra will recover. It's never going to be perfect.'' I don't think anyone wants to contemplate the possibility of such an accident occurring within the Arctic National Wildlife Refuge.

During his State of the Union Address, the President acknowledged our

addiction to oil. I hoped that this would mean we could move forward to discuss real energy solutions, solutions that protect our national security, our citizens, and our environment, as I continue to believe that we can do all three. In fact, there are bipartisan bills out there to move our transportation sector to renewable sources of energy and sadly we spend our time talking about this issue, an issue that divides us. When are we going to move past this divisive debate to discuss real energy solutions for the 21st century?

If we do not stand against misuse of the legislative process, then every member of this esteemed body is at risk. Today, I cast a vote against abuse and in favor of the integrity of the Senate.

EXECUTIVE SESSION

NOMINATION OF JACK ZOUHARY TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO

The PRESIDING OFFICER. Under the previous order, the Senate will go into executive session and proceed to consider the nomination of Jack Zouhary to be U.S. District Judge for the Northern District of Ohio, which the clerk will report.

The legislative clerk read the nomination of Jack Zouhary, of Ohio, to be United States District Judge for the Northern District of Ohio.

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

JUDICIAL NOMINATIONS

Mr. LEAHY. Mr. President, today the Senate considers two more lifetime appointments to U.S. courts. These confirmations will bring the total number of judicial appointments since January 2001 to 234, including the confirmations of two Supreme Court Justices and 43 circuit court judges. Of course, 100 judges were confirmed during the 17 months when there was a Democratic majority in the Senate. In the other 45 months, 134 judges have been confirmed. Ironically, under Democratic leadership, the Senate was almost twice as productive as under Republican leadership.

It is most regrettable that this President has not fulfilled his promise to the American people to be a uniter. Nor has he fulfilled his pledge to complete his work in advance of vacancies and to make nominations promptly. Judicial vacancies have grown to more than 50 and the White House has failed to send nominees for more than half of those. Some of those vacancies have been sitting empty for more than a year. Over and over the White House has missed the deadline the President established for himself, and today, more than half of the judicial vacancies, 27, are without nominations. One-third of those vacancies are already more than 180 days old, and one-third of the judicial emergency vacancies are without nominees.

If the White House would eliminate its partisan, political, and ideological litmus tests from the judicial nominations process and its emphasis on rewarding cronies and focus only on qualifications and consensus, the job of selecting nominees and our job of considering them for confirmation would be much easier.

Jack Zouhary, the nominee from Ohio, has the support of his Republican home State Senators, and Stephen G. Larson, the nominee from California, has the support of his Democratic home State Senators. They are the kind of qualified consensus nominees who are confirmed relatively easily.

Recently we have seen the President withdraw a circuit nomination after information became public about that nominee's rulings in a number of cases in which he appears to have had a conflict of interest. Those conflicts were pointed out not by the administration's screening process or by the ABA but by online journalists.

At a minimum that case and other recent revelations reinforce a point about this White House's poor vetting process for important nominations. A number of nominations by this President have had to be withdrawn. Among the more well known are Bernard Kerik to head Homeland Security, Harriet Miers to the Supreme Court, and Claude Allen to be a Fourth Circuit judge. It was, as I recall, reporting in a national magazine that doomed the Kerik nomination. It was opposition within the President's own party that doomed the Miers nomination. Democratic Senators resisted the nomination of Allen, a Virginian, because the President was seeking to appoint someone from another State to a Maryland seat on the Fourth Circuit. When we are considering lifetime appointments of judicial officers who are entrusted with protecting the rights of Americans, it is important to be thorough. Unfortunately, all too often this White House seems more interested in rewarding cronies.

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Mr. DEWINE. Mr. President, I rise today to speak in strong support of the nomination of Judge Jack Zouhary, whom the President has nominated to be United States District Court Judge for the Northern District of Ohio. Judge Zouhary currently is serving on the Lucas County Common Pleas Court. His service there has been outstanding and is an excellent indication of the type of judge he will be on the Federal bench.