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# Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

PRAYER

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

Let us pray.

Our Father, the architect of the universe, in spite of our doubts and fears, we come to You. We lean upon Your might because You sustain us through the seasons.

As our lawmakers face today's challenges, guide them with Your providence. Strengthen them to persevere toward their goals, knowing that a bountiful harvest is certain if they endure to the end. May their works make a difference for Your kingdom.

Again, we pray for our military men and women. Give them wisdom and courage and protect them from harm.

We pray in the Name of Emmanuel. Amen.

## PLEDGE OF ALLEGIANCE

The Honorable SAM BROWNBACK led the Pledge of Allegiance, as follows:

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

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read as follows:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, DC, June 28, 2006.*

*To the Senate:*

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SAM BROWNBACK, a Senator from the State of Kansas, to perform the duties of the Chair.

TED STEVENS,
*President pro tempore.*

Mr. BROWNBACK thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

## SCHEDULE

Mr. FRIST. Mr. President, this morning, we have set aside the first 2 hours of the session for a period of morning business. The first hour is under the control of the minority, and the second hour is under the control of the majority.

At the conclusion of morning business or shortly thereafter, we hope to turn to the Oman free-trade agreement. The Finance Committee is meeting this morning and expects to report out that measure. It is privileged and will be considered under the 20-hour statutory time limit. I don't expect that we will need all of the time, but some debate will be required. Senators can, therefore, expect a vote later today once we reach an understanding as to the time required on that bill.

This week, we will also consider the Paulson nomination to be Secretary of the Treasury, and we may also clear an appropriations bill for action.

Having said that, we will alert all Members as to the timing of the votes as we reach agreements on any of the legislative and executive items I just mentioned.

## RESERVATION OF LEADER TIME

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

## MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, with the first hour under the control of the minority and the second hour under the control of the majority.

## RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. REID. Mr. President, I will use my leader time so the time will not go against the Democratic morning business time.

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized under his leader time.

## VOTING RIGHTS ACT REAUTHORIZATION

Mr. REID. Mr. President, as you know, outside these doors to my left is a beautiful room called the President's Room, or the Red Room. We call it the President's Room because for many decades, this was the place where Presidents came to sign legislation. During the past century, the 20th century, it wasn't used often at all. Rarely was it used for Presidents to come and sign legislation. But on August 6, 1965, it was used. The last time the Red Room, or the President's Room, was used for signing a bill into law was on a hot summer day of 1965. It had been a very hot summer. The purpose of President Lyndon Johnson coming to the Capitol to sign the bill here, rather than in the White House, was because it was the Voting Rights Act. The reason I say it was a very hot summer, it had been a hot couple of years.

I would direct everyone's attention to a wonderful book written by Taylor Branch, a relatively new book, published recently, called ''At Canaan's Edge.'' This book tells the story of a number of things, but one is how the Voting Rights Act became law. People

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



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sacrificed their lives to allow this movement to go forward and, ultimately, to have this legislation passed.

So if we look back historically, the Voting Rights Act of 1965 is one of the most magnificent pieces of legislation ever passed by Congress because what it did is jump forward 100 years following the Civil War and give African Americans the ability to register to vote. Counties and various States in the South that were basically all African American had no African-American voters. The Voting Rights Act changed that. And now African Americans all over this country, but especially in the South, have had their lives changed by not having to feel the crash of a baseball bat on their head like Reverend Reeb, who came to peacefully demonstrate to allow people to have the right to vote and was killed with the smash of a baseball bat on the side of his head. Lives were lost, I repeat, and many people were injured. Many were seriously injured in an attempt to exercise the basic right of voting in America.

Why do I bring this to the Senate's attention today? The reason I bring it to the Senate's attention today is, it was a short time ago, early May, and it was very hot in Washington, and we went to the east front on the House side to have a press conference. There were dozens of Members of Congress there. Cameras were there, and people were shoving for position so the camera could see them. Everybody was there to talk about the need to reauthorize the Voting Rights Act. The press event took a long time. We had a number of speakers there, and they all talked about how important it was that we reauthorize the Voting Rights Act. I was there, Senator FRIST was there, House leaders were there, chairman and ranking members of the Judiciary Committees were there, civil rights leaders were there to announce their support for the reauthorization of the Voting Rights Act. We stood together that day on the steps of the Capitol and announced a bipartisan, bicameral introduction of that bill.

I thought that day held great promise for the Congress and the Nation. The old days of the early 1960s were put behind us, and this would just go through here very quickly. I thought the legislation would be reauthorized and we would move down the road. I thought it showed great possibilities that leaders of both parties recognized that protecting the right to vote is not a partisan issue, it is an American issue and one we would join to support without qualification.

While finding common ground seems increasingly beyond our reach on many debates in the Senate, our joint support for the Voting Rights Act stood as a sign that we could still readily stand together to protect the rights upon which this Nation was founded.

In the weeks that followed, some progress was made in moving the bill forward in the House and the Senate. In both Chambers, an exhaustive record was built, demonstrating without question the continued need for the Voting Rights Act protections.

I am sorry to report that progress has stalled. It has really stalled. Last week, House leaders failed to follow through on their commitment to move this reauthorization in that body. It is now not clear when or even if the House will act. We urge them to do so quickly. But the fact that the House hasn't acted doesn't mean we cannot act in the Senate. The commitment we all made in May on the east front of the Capitol is a commitment that the American people are going to hold us to. As I have said, we need not wait for the House. I am told the Senate Judiciary Committee is going to complete a markup of this important legislation in July. I hope so. As we know, the original timetable was May.

Mr. President, I stand ready to work with my friend, the distinguished majority leader, to move this matter forward in the Senate, and let the House do what they feel they need to do. We need to have the Judiciary Committee complete its work, bring this to the Senate floor in July, and spend time on it, talking about how important this legislation has been and how that President's Room back there could be used by President Bush to come and sign the reauthorization of this bill. Hopefully he can do it this summer.

I don't stand alone in the pursuit of passing the reauthorization of the Voting Rights Act. More than 40 Democratic and Republican Senators have signed as cosponsors of this legislation. I really believe that together we can fulfill the commitment we made in May to support the voting rights of all Americans, without equivocation, by calling this bill up in July and moving forward with its swift passage.

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

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

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDING pro tempore. Without objection, it is so ordered.

## CHECKLIST FOR CHANGE

Mrs. CLINTON. Mr. President, last week, the Democratic women of the Senate, led by our dean, Senator BARBARA MIKULSKI, held an event at the Sewall Belmont House, which I am very proud to say put forth what we are calling the checklist for change. We came together around the importance of an agenda in Congress that meets the needs of all of the American people.

We have been given an hour this morning to discuss these issues. Our first speaker, our leader, is the Senator from Maryland, who has paved the way for women not only in the Senate but in our country on so many issues. I am, with great pride, yielding to the Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I thank the Senator from New York, as well as all of my colleagues, the nine Democratic women from the U.S. Senate.

We are united today. We, the Democratic women of the Senate, rise in a united way to launch something we are calling the Democratic Women for Change. We want to change the agenda that is going through the Senate. We want to change the tone in the Senate for one of more civility, and we want to change the schedule to get things done.

The Senate has only been in session about 75 days, less time than most State legislatures. And what have we debated? Divisive constitutional amendments and tax breaks for zillionaires.

I regret that the Republican leadership has squandered time, squandered opportunity, and squandered taxpayers' money. We spent time with bills focused on reelecting Republicans instead of helping American families. It is time we bring real issues to the floor. We have only 50 days left before this Senate adjourns. This is why we have done our checklist.

We have a must-do list for change. It is specific, it is immediate, it is realizable, and it is also affordable.

We women know about checklists. We remember all the important things that we need to get done by having a checklist. It is what we use to keep our families on track, and now we bring a checklist to the Senate to get America on track.

These are the challenges that we can meet right now by the time Congress adjourns for the fall elections. Each and every one of us has a specific issue we want to see done, and we want to check that off.

I am advocating for reliable pensions. I want to talk about retirement security and giving help to those people who practice self-help all of their lives. In the United States of America, everyone should retire with financial security.

Honoring your father and your mother is not only a good commandment to live by, it is a very good policy by which to govern. That is why we the Democratic women of the Senate fought to stop the privatization of Social Security, and we were successful. Now we stand sentry on the Senate floor to make sure Social Security is never ever privatized.

We believe that Social Security should be a guaranteed benefit, not a guaranteed gamble. We want to make sure Social Security is reliable, undeniable, and inflation proof.

But as we stand sentry, we are alarmed to see that a budget bill will come soon to the Senate floor that

could be a backdoor way of privatizing Social Security. The so-called budget reform bill will create a commission on entitlements, fast-track authority, but it is really a backdoor way to privatize Social Security.

Under the guise of empowering an unelected commission, they would have the authority to cut benefits, to turn it over to Wall Street where seniors would have to rely on the bull of political promises or the bear of a market. We, your Democratic women, are standing sentry, and we will not let this happen.

But we also want to support the private sector, the good guys in America's entrepreneurial and business community who provide pensions. So we are fighting for pensions that workers can count on and so that good-guy businesses would have clear rules coming out of the legislative framework on which they could depend. And we want to protect taxpayers from a bailout of companies dumping their programs on a government program.

Where are we now? A pension bill has been languishing. We are stalled, we are sputtering, we are dithering. It has been 180 days since the House and the Senate passed each bill on pensions, and 110 days since conferees were named—110 days.

After all is said and done, more is being said than gets done. Time is running out. We must pass this bill. But most of all, time is running out on this Congress. The American people are running out of patience. That is why we bring to the Senate our economic list for change, and we ask that we adopt this checklist and let's bring about change that will make a difference for our constituents.

I now yield the floor to my wonderful colleague from New York, Mrs. CLINTON, and thank her for all of the extra work she is doing in standing up for New York and standing up for America.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

Mrs. CLINTON. Mr. President, I applaud my friend and colleague, Senator MIKULSKI, who is speaking out eloquently and strongly about the importance of pension and retirement security and pointing out the dangers of the legislation—coming out on a totally party-line vote—coming out of the Budget Committee that we believe would once again raise the specter of Social Security privatization.

So we are sounding the alarm, and we are making clear that the Democratic women of the Senate will stand sentry, as Senator MIKULSKI said, and we will stand firmly to protect Social Security because we know how many women depend on Social Security.

Part of our effort is to in very simple terms put forth this checklist for change. We know we have to secure our economy in a more competitive world and secure our energy supplies in that competitive world.

Our current energy policy is weakening our national security, hurting our pocketbooks, violating our common values, and threatening our children's futures. Right now, instead of our national security dictating our energy policy, our failed energy policy dictates our national security. We want and need a fundamental change in direction to secure our Nation's energy future.

I believe a strong, balanced national energy policy is a key to strong economic and environmental policies as well.

It is time we decide do we allow our economic security and our national security to be weighed down by a failed energy policy or do we choose a new path? We think, the Democratic women of the Senate, that we need a new path.

Here is a concrete goal. Let's reduce our dependence on foreign oil by at least 50 percent by 2025. How will we get there? It starts by getting back our American can-do attitude and a new commitment, such as the Apollo project that sent a man to the Moon. We know how to do this. Americans are better at setting goals and solving problems than any people in the history of the world, but we are acting as though we can't control our own destiny when it comes to energy, that we can't possibly do what needs to be done to break our addiction to foreign oil.

I have introduced legislation to create a strategic energy fund, to commit our Nation wholly to a new energy future, to invest in alternatives and efficiency, to create jobs, to strengthen our economy, and to free our hands fully to protect our Nation in the world. I don't want to see one more year go by where we are not doing what it takes to prevent us from being blackmailed and extorted by oil regimes that have us literally over a barrel.

The strategic energy fund will invest in renewable energy, such as wind and solar, transform America's vehicles by expanding consumer tax credits, and making sure we have more hybrids and other advanced clean diesel automobiles and trucks.

We will accelerate home-grown biofuels by investing in research and loan guarantees for cellulosic ethanol production.

We will speed fuel infrastructure by pairing increased tax incentives for installation of E–85 pumps with a mandate to have them at 50 percent of our gas stations within 10 years.

And we will unleash American ingenuity by investing $9 billion in a new energy research agency modeled on DARPA, which was created in the Defense Department after Sputnik went up and has given us so much, including the Internet.

We challenge the Republican Congress to make energy independence a priority by passing meaningful energy legislation, such as a strategic energy fund, this session.

I am so proud to stand with my Democratic women colleagues and put forth this checklist for change. It will make a difference in America's future. Let's get about doing the business of America.

I yield the floor for my distinguished colleague from California, Senator BOXER.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I thank Senator CLINTON. I am also very proud to be on the floor of this great body with my Democratic women Senate colleagues.

We held a press conference in which we challenged the Republican leadership to bring up issues on this floor that are meaningful to our families. Here is our checklist for change. Each of us has taken one of these issues. Mine happens to be protecting our air, land, and water.

The message we are here today to convey is that the Republicans run the Senate, the White House, and the House of Representatives. They control what issues come to the floor of the Congress for debate. We spent yesterday debating an amendment to the Constitution to ban flag burning. We also debated a bipartisan proposal by Senators BENNETT and CLINTON to ban flag burning via a statute.

Every one of us in this body voted to ban flag burning, be it by a statute or by an amendment. But one has to ask the question: Is that debate, which we have had four times, more important than the issues that are on our checklist for change?

There have been four reports of flag burnings this year. That is four too many, but they were four. Yet there are 44 million Americans whose pensions are at risk while this Congress fails to act to protect those pensions.

Four flags burned versus 7.5 million Americans who have been denied an increase in the minimum wage. And this Congress, under the Republicans, sees nothing wrong with giving themselves a pay raise, but they can't raise the minimum wage, and it has been flat for 9 years, which means it has gone down in value and people cannot make it on $5.15 an hour.

Four flags have been burned—four too many—versus 170,000 talented college-ready students each year who stay home because they can't afford tuition.

Four flags burned—four too many—yet 30,000-plus veterans have waited in 2006 for their first medical appointment, an issue that will be taken up by Senator MURRAY.

Four flags burned versus 200,000 people in New Orleans living in trailers, unfinished houses, or tents in the front yards of their Katrina-ravaged homes.

Four flags burned this year—four too many—versus $2.89 a gallon for regular gas. By the way, that is the national price. In California, we are looking at well over $3 a gallon.

Four flags burned—four too many—versus 46 million Americans with no health insurance, and Senator LINCOLN will talk about that.

Four flags burned—four too many—versus over 500,000 Americans who have lost their lives while we wait for this Republican Congress to take action on stem cell legislation, an issue that has been championed by many of us in this Senate and on this checklist carried by Senator FEINSTEIN.

And, finally, four flags burned—four too many—versus 75 million Americans living near our most polluted toxic waste Superfund sites.

In conclusion, because my checkpoint is protect our air, land, and water, I call on this Republican Congress to address two pressing environmental crises: global warming and Superfund cleanup.

It is easy to put global warming on the back burner as long as our everyday lives are not affected, but some people think their everyday lives are beginning to be affected. The best scientists in the world warn us that we are near the tipping point on global warming.

Just the other day, the U.S. National Academy of Sciences, along with the national academy of science for 10 other nations, agreed that climate change is real and it has to be addressed. So we call on this Republican Congress to do something about it. Don't sit back and say this doesn't exist because you are ignoring science.

I am proud to say that in the State of California, they are listening. This week a historic global warming bill cleared the first hurdle and passed the California Senate Environmental Quality Committee. California has been a leader in the environment, and Senator FEINSTEIN and I want to make sure that we can bring some of that action right here to the Senate.

Last point: We need to clean up these Superfund sites that are hurting our families and hurting our communities. Under the Clinton administration, we cleaned up 80 of these sites a year. Now it is down to 40 sites a year. We owe our children a clean and healthy environment.

Mr. President, it is time for you and the Members of the Republican Congress to call on the Republican leadership to take up our checklist for change. We are very proud to be talking about this all together this morning on the Senate floor.

I am proud to yield now for Senator PATTY MURRAY of Washington.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I am very proud to be here this morning with the other Democratic women of the Senate in urging the leadership to talk about the issues that are the true priorities of the American people. The issue I am talking about today is so important, and that is the treatment of our Nation's veterans. Our military men and women and their families are sacrificing every day for all of us. It should be our duty to honor that sacrifice, whether it is with jobs or training, support or health care. But on this issue, the Republican leadership has failed miserably.

Today, the Department of Veterans Affairs continues to be overwhelmed and underfunded. Listen to what we know. The VA is currently seeing 38 percent more Iraq war veterans than they budgeted for—38 percent more. In fact, in fiscal year 2006, the VA expected to provide medical care to 110,000, but that number is now closer to 170,000, and those veterans are waiting over a year to get the specialty care they need and deserve.

In Seattle, we have VA medical centers with over 2,000 veterans on waiting lists to get an initial doctor's appointment. Veterans around the country are waiting 18 months just to get their benefits. On Monday it was reported in the New York Times that veterans' spouses are being faced with an impenetrable wall of bureaucracy as they try to collect their survivor benefits.

To me, and to my women colleagues, that is simply intolerable. We are also woefully unprepared for the rising toll of post-traumatic stress disorder and other battlefield-related mental illnesses that are hitting our troops. Right now, it is estimated that one-third—one-third—of the 1.3 million Americans who have served in Iraq and Afghanistan are facing mental health challenges when they get home. The Department of Veterans Affairs recently revealed to us that it is on a pace to see nearly 20,000 new cases of postcombat stress this fiscal year among troops. Guess how many they estimated to see: 2,900. So they thought they would have 2,900, but they are on a pace to see 20,000. A VA Under Secretary noted that some of our VA clinics don't provide mental health care, or if they do, she said, waiting lists render that care virtually inaccessible. Our service men and women, veterans, and their families deserve more than virtually inaccessible care. We have to do more.

On top of that, we have to be working to pass Federal legislation that addresses the employment needs of veterans who are coming back home from the battle front. Do my colleagues know that among 20- to 24-year-olds, unemployment for veterans is double that of nonveterans, and it is three times the national average? That is unacceptable. Iraq war veterans are coming home, they are losing their jobs, they are not getting medical care, they are having a hard time accessing benefits, and they are struggling to just get by.

We have a job to do in this Senate, and that is why the Democratic women are here today to talk about our checklist for change and focusing on our veterans. Last week, I successfully amended the fiscal year 2007 Agriculture appropriations bill to include $160 million to deal with the data theft of 26.5 million veterans. We have to make sure that our veterans don't have the double whammy of losing their data and then losing their health care to pay for it.

Our service men and women deserve a new direction. So today we challenge the Republican leadership to include the real cost of care for our veterans when they submit their budget and to do right by our veterans and our military families by holding hearings on the holes in transition assistance, mental health care, and health care that our veterans and families need.

Caring for our veterans is not a Republican or Democratic issue, it is an American issue. We call on this Congress to right now do the most patriotic thing we can do, and that is to fulfill our promise to our Nation's veterans.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to Senator FRIST from all of the Democratic women outlining our checklist for change and our call for action.

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

DEMOCRATIC WOMEN FOR CHANGE,
*June 21, 2006.*

Hon. WILLIAM H. FRIST,
*U.S. Senate, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR FRIST, We, the Democratic women of the Senate, are writing to challenge you to change direction, change the tone, and change the agenda to match the priorities of the American people.

There are approximately 50 days left in this legislative session—still plenty of time to change direction and focus instead on meeting the challenges that affect the American people in their daily lives.

To that end, we present you with our ''Checklist for Change''—nine challenges that Congress can meet right now. We ask that these goals be considered during the remainder of this session of Congress:

Safeguard America's Pensions: Americans deserve to retire with dignity and financial security. We will continue to oppose any plan to privitize social security, because seniors deserve a guarantee rather than a gamble. Recent corporate corruption and mismanagement has shown us that we must also protect employee pension plans. The Republican Congress has stalled these efforts. For the good of all American workers, we challenge the Republican Congress to pass a clean pension reform bill.

Keep Good Jobs in America: We need a jobs agenda that fights for American workers and businesses. The flight of American jobs overseas must be reversed. Currency manipulation and the free flow of counterfeit goods from countries like China have put American workers at an unfair disadvantage for too long. We challenge the Republican Congress to enact tax policies that Stop the outsourcing of American jobs, to level the international playing field by enforcing our trade agreements, and to raise the minimum wage.

Make College Affordable for All: The best guarantee of a good job is a quality education. In America, 170,000 college-ready students don't attend college each year because the cost is too high. Yet the Bush Administration has taken $12 billion from student aid programs to pay for tax cuts for the wealthiest Americans. We cballenge the Republican Congress to increase the maximum Pell Grant, make the college tuition tax credit permanent, and cut student loan interest rates.

Protect America and our Military Families: It is our duty to care for the brave men

and women who defend our nation at home and abroad. Yet the Bush Administration consistently shortchanges healthcare and other benefits for veterans, leaving many soldiers waiting a year or more treatment. We challenge the Republic Congress to provide benefits funding for veterans and to hold hearings on mental health care and transition assistance for those coming back from war abroad.

Prepare for Future Disasters: Nearly five years after September 11th and ten months after Hurricane Katrina, the Federal Government is still woefully unprepared to deal with potential future disasters. We challenge the Republican Congress to restore disaster to cabinet-level status; to implement the recommendations of the September 11th Commission; to develop safe evacuation plans; and to reform the Stafford Act to better manage large catastrophes.

Make America Energy Independent: America's lack of a coherent energy policy is weakening national security, hurting our pocketbooks, violating our common values and threatening our children's future. The Strategic Energy Fund bill will cut our dependence on foreign oil in half by 2025, invest in efficient energy alternatives and create good American jobs. We challenge the Republican Congress to pass the Strategic Energy Fund bill.

Make Small Business Healthcare Affordable: More than 46 million Americans are uninsured. Small businesses create two out of every three new jobs in America and account for nearly half of America's overall employment, yet just 26% of businesses with 50 or fewer employees provide health insurance. The Small Employers Health Benefits Program will create affordable, private health insurance for small businesses and give parents the comfort of knowing that their children are protected. We challenge the Republican Congress to pass this crucial legislation.

Invest in Life Saving Science: Stem cell research provides real hope for cures to many of the world's deadliest diseases. Against the wishes of the American people, the Bush Administration and the Republican Congress have blocked efforts to expand stem cell research so that scientists and doctors have every tool at their disposal to keep us healthy and safe. As a result, America trails the rest of the world in research. We challenge the Republican Congress to pass stem cell legislation this summer.

Protect our Air, land and Water: The Bush Administration has been negligent in protecting Americans from environmental hazards. They have ignored the consensus of the best scientists in the world when it comes to the threat of global warming, and they have recklessly reduced clean ups of toxic waste at Superfund sites. We challenge the Republican Congress to pass a comprehensive science-based bill to reduce greenhouse gases and to restore funding for Superfund cleanup.

We hope that you will put these bedrock issues on the agenda, because the American people are counting on us to fight for them. We can and must do better.

Sincerely,

Barbara Mikulski, Barbara Boxer, Maria Cantwell, Hillary Rodham Clinton, Diane Feinstein, Mary Landrieu, Blanche Lincoln, Patty Murray, Debbie Stabenow.

Mrs. MURRAY. Mr. President, I am proud to yield the floor for my colleague from Washington State, Senator CANTWELL.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from Washington is recognized.

Ms. CANTWELL. Mr. President, I thank my colleague, Senator MURRAY from Washington, for her eloquent statement about the state of veterans affairs in our country and to make sure that those who patriotically served our country are taken care of in their time of need.

Many of my colleagues are here—and I appreciate being with my women Senate Democratic colleagues—to talk about our checklist for change and talk about the important issues we believe Congress and the Senate should be focusing on. But I know that people all across my State are wondering what we are doing here in the few days left before our Fourth of July recess.

In fact, one of the newspapers in my State basically said: If Members don't have better things to do than some of the proposals they have been bringing up to amend the Constitution, then we should just go home. Or, as one newspaper said: The checklists that we have been dealing with are full of political gimmicks and not national needs.

I would like to say that these are the national needs that we ought to be dealing with, and making college education affordable for all is a huge priority. As we have spoken out on this issue as a group of women Senators talking about the checklist for change, I am now hearing from students all over America who are feeling the same pinch.

A student from Central Washington University said: Like many others, I am feeling the cuts that affect financial aid.

Even students from outside the State of Washington are e-mailing me. One student from the University of Florida basically said they were coming here to Capitol Hill soon with their full group of presidents and vice presidents and student vice presidents. They reminded me that:

> We are the future of America, and we must ensure that future by making sure students, regardless of wealth or other socioeconomic factors, have access to a good college education.

Mr. President, I couldn't agree with that student from the University of Florida more, and I look forward to seeing them in their efforts here on Capitol Hill to be successful.

But we are here this morning because we all know the best way to secure a good job is a quality education, and we know that the doors to educational opportunity are slamming shut for many Americans. This is something that is very personal to me as somebody who went to school on financial aid, and I can literally say I don't think I would be in the Senate or have been a successful executive at a business enterprise if I didn't have access to that good college education.

We can't let college education become a privilege for just a few of the wealthy, and we have to make sure that families and students can afford college, regardless of their financial resources.

Let me just lay out a few facts. Since 2001, the cost of a public higher education has increased by a staggering 46 percent. In Washington State alone, tuition costs at 4-year public schools have spiked, an increase of 63 percent since the fall of 2000. Tuition costs are skyrocketing, but family income, particularly of those with college-age students, has only risen about 3.4 percent between 2000 and 2003. So the challenge is we haven't seen income opportunities go up, but yet the cost of education has gone up. So while those costs have soared, almost 350,000 Washington students have basically had their Federal financial aid slashed. And families have to tell their children they can't afford to send them to college this year or next.

Well, I can tell you, Mr. President, that is unacceptable. We need to do better to make sure that we make college education affordable.

What have we been doing? Last January, we had the largest raid on student financial aid I have ever seen. The legislation that was passed by this body cut $12.7 billion straight from student loan programs, the biggest single cut in the history of the Federal student loan program. That was coming on top of the President's budget, which basically also proposed a $2.2 billion cut in the Education Department budget, which is the largest cut in the Education Department in 26 years of history.

So we are here this morning, and this Senator is here, because we believe we need a new direction. Today we are standing here to challenge Congress to act now in the best interests of American students, America's families, and certainly for the competitiveness of America's future economy. We challenge this Congress to make college education more affordable now, to help families save for college education.

Specifically, we are asking the leadership to make a priority legislation that would increase the Coverdell education savings account contribution to $5,000 and let families make that tax deduction contribution to help them pay for that increase in college education; secondly, to make the college tuition tax deduction permanent, making it possible for families to put money into education and not feel the pinch; third, to pass my ''GI Bill for Life'' legislation that gives those returning from Iraq and Afghanistan who served in our military the opportunity to complete their college education and get the financial support, as they have supported our country, no matter how long it takes for them to complete that course in education.

It is time that we invest in the future of America and provide Americans the next opportunity of leadership in our economy by giving them access to a good education. We can act now and we can pass these legislative issues before Congress adjourns this year. We hope this checklist for change will be a priority—not some of the issues we have

been focusing on, but a real checklist to get busy with the priorities and needs of American families.

Now I would like to yield the floor for my colleague, Senator LINCOLN, who is going to talk about the affordability of health care in America.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I thank my colleague from Washington for her incredible focus on educating our children and making sure our families can afford higher education, and certainly focusing on energy independence, which is critically important to all of our households.

I am proud to be here today with all of my Democratic women colleagues to talk about the things that are so important to America's families, the working families who are the fabric of this Nation, who make us strong, who make us proud as Americans to look at the Nation and see what the foundation of our country is really all about.

Mr. President, I know that you and many of our other colleagues probably think this is just a honey-do list. Well, we all have our honey-do lists. For myself, as a mother of twin 10-year-olds and certainly a wife who wants to be supportive and caring for my husband, and as a daughter who is looking at aging parents and in-laws, and all of the many responsibilities in my life, I know that keeping a list to make sure I am actually accomplishing the things that are important to the people I love is critically important so that I know I am doing what I need to do.

I have a list on my refrigerator. I have a list on my desk. I carry a list in my car and in my purse to make sure that I can keep up with the things that are important, the responsibilities I have as a person not only for the things I want to do not just for my family but for my neighbors and for all of the people I report to and am responsible to. At home, my husband and I have a honey-do list that we share the responsibility for. Just last night, we were making sure we changed the air filters and the batteries in our smoke detectors which are critically important to the safety of our children and our home. We were making sure that we adjusted our budget to deal with the unbelievable increase in energy costs. Don't think that every household is not looking at how important that is. Or making sure that our children get their health checkup and that they are up to date on their immunizations.

How blessed I felt when I walked into that pediatrician's office to know that through the Federal employees, I have insurance that will cover that. But it is important to make sure the things on my list get done so that the people in this world whom I love so dearly are as safe and as healthy as they possibly can be.

On that list is also setting aside dollars each year and every quarter in order to know that when my children become college age, they are going to have at least some kind of a nest egg, perhaps not enough to cover all that they need in order to get that education that I know is so critically important to their success and to the success of this country. These are the things that we want to challenge and to encourage our colleagues in the Senate to take up. These are the issues that American families see on their checklist every single day. These are things that we can do—we know that we can do. These are issues that affect every American family.

My good friend and colleague from California, Senator FEINSTEIN, is going to talk about a humane and moral solution to stem cell research, on which she has worked for over 8 years now. There was a wonderful event in Arkansas for the Diabetes Association where I met a young woman with a daughter who talked about the transition, the complete change in life for their family in order to deal with a disease like diabetes in a child who is only 12 years old.

Mr. President, we plead with you, take a look at this list. Look at the reasonable items we are talking about that mean so much to the American families of this country.

I am here to talk about the keen awareness that we have of the challenges that are faced by working families who want nothing more than the security that health insurance offers. We, as Federal employees, enjoy a tremendous security. For over 40 years, the Federal Government has figured out that if it pools all 8 million of the Federal employees across this great country, it can provide greater choice at a lower cost.

We, too, can do that for the small businesses of this country. If we look around, we realize that nearly 46 million Americans lack health insurance, including 456,000 of my own Arkansans. Small businesses are the No. 1 source of jobs in Arkansas and in most parts of our country. Yet only 26 percent of businesses with fewer than 50 employees offer health insurance coverage today. Workers at these businesses are most likely to be uninsured. Yet they are the engine of our economy. They are the jobs that are not going to go offshore. They are the companies and the businesses in our communities that support our Little League and that sponsor our scouting events. These are the fabric of our country. Yet fewer than 26 percent are insured.

Small businesses need innovative ways to offer affordable, accessible health care to their employees. Recognizing that need for a new direction, Senator DURBIN and I proposed the Small Employers Health Benefit Program. It is a comprehensive solution to our small business insurance crisis. It is based on 40 years of success with the Federal Employees Health Benefit Plan. It will create affordable private health insurance choices for small employers, and it will give working families the security and the comfort of mind that they need.

We challenge—we encourage—we plead with our Republican Congress and leadership to pass the Small Employers Health Benefit Program this session. It is something we can do that will make a tremendous difference in the lives of Americans.

We are going to keep fighting because we believe that working families should have the comfort of knowing that they can take their children to the doctor—whether it is for just a common cold or a broken arm or, heaven forbid, something much more serious—and be able to afford and access the care that they need.

We believe that expanding coverage for small businesses will go a long way toward making sure that the millions of Americans should and would have access to medical care. We believe that providing that kind of security is worth fighting for, and that is why we have joined together today to point out to the American people, particularly to our colleagues, the list that we carry around every single day in our pocketbooks, on our desks, and on our refrigerators at home. It is no different than the list that we present to you, and it is no different than the list that every American family has in their home.

We ask you, Mr. President, take a look at what we propose. Look at the time that we have remaining and know that we can make a difference in the fabric of this country by looking at the list of what America's working families need the most in their households.

I am proud to yield for my good friend and colleague from California, Senator FEINSTEIN.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Arkansas for her remarks. I don't think anyone speaks more eloquently about the needs of American families than BLANCHE LINCOLN. It is always real and it is always practical. I am just delighted to be a colleague of hers.

I rise today to say why stem cell research should be part of this Democratic Women's Checklist for Change. The reason is very simple, and that is because stem cell research offers the promise of historic advances in the treatment of catastrophic disease. It is that simple.

The potential for this research was in the news again last week, as scientists at Johns Hopkins announced that they used embryonic stem cells to regenerate damaged nerves in paralyzed rats. That is something that no one ever thought could be done. After being treated with cells harvested from mouse embryos, most of the rats regained enough strength to walk and bear weight on their previously paralyzed hind legs.

Just imagine what this discovery could one day mean for patients with spinal cord injuries, multiple sclerosis or ALS. It could be revolutionary because one thing science believed was that the spinal cord, once severed,

could never be regenerated. Now, for the first time in history, we see there may be a solution to that and it rests with stem cell research.

Translating this discovery into treatment of human patients will likely take several years, and it will likely not see fruition without Federal research dollars. Here is the rub. Our researchers face a major roadblock imposed by the President in August of 2001, when he limited Federal funding to 22 lines of stem cells. All of these available lines are now contaminated with mouse feeder cells, so virtually there is no Federal ongoing research.

Thirteen months ago, the House approved a bipartisan bill by Mr. CASTLE and Ms. DEGETTE, a bill that would remove this roadblock. It would permit promising research to go forward. It would offer new hope to millions of Americans suffering from disability, diseases, and spinal cord injuries. The Castle-DeGette bill essentially says that it would be possible to use embryos that are rejected in IVF clinics; that is, in vitro fertilization clinics. All of us know that tens of thousands, if not millions, of these embryos are rejected and they are destroyed. Those embryos could be taken to form new stem cell lines under this bill.

The votes are here to pass this bill today, but the President has vowed a veto, and the Republican leadership refuses to bring it to the floor. In the year that we have waited for Senate action, millions more are now waiting for cures that one day could come from stem cell research. In the last year, consider this: 1.4 million Americans were diagnosed with cancer; 60,000 Americans were diagnosed with Parkinson's disease; 11,000 Americans suffered spinal cord injuries; and 1.5 million adults were diagnosed with diabetes.

These are just new diagnoses. Think of all the Americans who continue to suffer cancer, heart disease, Alzheimer's, Parkinson's, spinal cord injuries, and catastrophic diseases which could potentially be helped by embryonic stem cell research.

The administration's policies have left our researchers far behind the rest of the world. In fact, other countries are, today, laying the foundation for groundbreaking cures, while U.S. scientists are not able to gain Federal funding for research. Evidence that the United States is no longer the world leader in embryonic stem cell research is mounting. Scientists around the world have created 128 new embryonic stem cell lines since President Bush announced his policy. Only 34 of these new lines were created in our country. The proportion of embryonic stem cell papers published by U.S. research groups has fallen dramatically in the past 2 years. At least 10 other nations—Germany, Finland, France, Sweden, the United Kingdom, South Korea, Singapore, Israel, China, Australia—are investing substantial sums of government money in embryonic stem cell research. That is totaling hundreds of millions of dollars. Other nations are constructing facilities, they are attracting our American researchers who should be here at home doing this research, and they are learning more every day.

The United States, on the other hand, remains at the starting line. I don't think we can afford to watch other nations move ahead. Eight years ago, I introduced one of the first bills addressing stem cell research, so we have waited this long—8 years—for action. Time and time again, we have pressed for action on the floor of the Senate. We pressed for it privately. We pressed for it by letter. We pressed for it by press conference with groups of sufferers of catastrophic diseases. All of this has been to no avail. I can't believe it. I can't believe this kind of recalcitrance. And all of this is despite the fact that every poll shows a dominant majority of Americans support stem cell research.

It is time the Senate place the health of Americans ahead of the views of a limited number of people whose views are apart from the mainstream of America. We owe it to the 110 million Americans suffering daily from debilitating and catastrophic disease. Every day that we wait, more people develop diseases that could one day be cured. Every day we wait, other nations move further ahead.

I urge the Republican leadership to bring the Castle-DeGette stem cell bill to the floor and allow Federal research to move forward. A Democratic Senate would listen to the American people. A Democratic Senate would make the promotion of this promising research a reality. This Senate is in Republican control. The Republican-controlled House has passed this bill. A dominant majority of the American people say enact this bill. Yet this Senate, Republican controlled, becomes the roadblock.

I urge the Republican leadership to reconsider and bring the Castle-DeGette bill to the floor of the Senate for a vote.

Mr. President, I would like to yield for my colleague, the distinguished Senator from the great State that harbors the great city of New Orleans, LA. She will speak about making Americans upwardly economically mobile in the American workplace.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I thank the Senator from California for her remarks and her passion and her focus on the issue of stem cell research. One day when millions of Americans have been cured of diseases that afflict us today because the research is just not there, we can thank Senator FEINSTEIN for staying on point, every month, every year—staying on point on stem cell research. It is something the vast number of Americans support. They understand the importance of pressing forward on this science to find real cures for real people, for real families. That will not only relieve the pain and suffering that comes with disease but also promote the general economic well-being of a nation based on a free enterprise system that works much better when people are healthy than it does when they are sick.

I stand in awe of Senator FEINSTEIN's focus on this issue, and I support her wholeheartedly.

It is my opportunity to speak about one of the very important aspects on this checklist. We talked about safeguarding America's pensions, and we have talked about good jobs in America. Senator CANTWELL talked about college affordability for all Americans, about being the first person from her family to graduate from college, and as she has shared with us, going on to create a multimillion-dollar software business that, of course, helped her personally and her immediate family. But think of all the other people it helped because she received a great education from our system—protecting America and our military families and making America energy independent, as Senator CLINTON was so clearly stating, and small business health care as Senator LINCOLN spoke to this morning.

I am going to focus my attention on preparing for future disasters. It is, unfortunately, something that we in Louisiana have become somewhat experts on lately, having lived through and still trying to live and survive after the greatest natural disaster to hit our country in some time.

I begin by saying that if there was ever a wonder why our country was created, you can find the answer in the Preamble of the Constitution, one of the greatest documents ever written. It talks about providing for the common defense, promoting the general welfare, and securing the blessings of liberty for ourselves and our posterity. Our Federal Government, which was established over 220 years ago, has established institutions, large and small, to meet the promise of the Preamble of the Constitution.

We established the Department of Defense to support and provide for the common defense. It was called the War Department. Now it is called the Department of Defense. We established the Department of Health, Education, and Labor to promote the general welfare.

Thirty years ago we established the Federal Emergency Management Agency to help keep Americans secure in the blessings of their liberty in the middle of natural disasters.

On August 29, when Katrina hit land, a category 5 storm to hit the gulf coast and to hit the southeastern part of Louisiana and the southwestern part of Mississippi, and 3 weeks later when Hurricane Rita barreled into the southwestern part of our State, the Federal Government failed the people of the gulf coast.

Amazingly, nearly 1 year after this unprecedented failure, we have done

little, if anything, to ensure that this will not happen again.

Studies have been completed. Reports have been drafted. Senator LIEBERMAN and Senator COLLINS have been exemplary in their work in a bipartisan fashion in the Senate—1,000 hours of hearings, dozens of field hearings—to come up with comprehensive legislation. However, somewhere between the Republican leadership in the White House and the Republican leadership in Congress we have failed to come up with a single recommendation or a piece of legislation to come before this Congress to make sure that some of these recommendations are put into place.

The White House has not asked for a single law to be changed based on their own report of 125 recommendations. Contrast that with what happened after September 11. This Government was literally turned upside down and inside out. Laws—dozens of laws, maybe even hundreds of laws—were changed so that we could try to get to core answers to 9/11. Yet after the greatest natural disaster in American history, with the failure of the Federal Emergency Management, a failure that will be recorded in history for generations, not one law has been permanently changed. And it is almost 11 months after that storm.

Billions of dollars have been thrown at the problem. And at the request of myself and a few Members of our delegation, we have managed to move a few billion of those dollars out from this morass of a Federal agency that doesn't work to try to get money directly to parishes, counties, to economic development departments for the recovery and rebuilding.

I raise this point on this checklist not just for Louisiana which we are going to rebuild regardless of the mess we find ourselves in, but we want to raise this issue—I want to raise this issue—in hopes that it can prevent this kind of recovery taking place in Seattle, in the event of a tsunami, or in California in the event of an earthquake, or in Tennessee which also sits on a fault line of a geological structure.

I raise this point to honor the 1,836 victims of Katrina and the 120 victims of Rita. Surely there is enough sacrifice for people to make before their Government, led by a Republican Congress, takes the steps to make sure it will never happen again. I know that no Congress run by Democrats or Republicans can prevent a natural disaster. We understand that. We are going to have earthquakes, hurricanes, and we are going to have volcanic eruptions. While we can't prevent that, we can most certainly improve the response from the Federal level so that people do not have to suffer through the rebuilding that is going on now in Louisiana.

The first thing that must be done, which is part of our checklist, is to give the Director of FEMA the authority and the access he had under the stewardship of its most successful Director, James Lee Witt, under the previous administration. At that time, it was a Cabinet level position that had the trust and access of the President and the full command of Federal resources during such disasters.

Regrettably, we have all watched in horror on the television screen, and I have watched personally upfront as a witness of the failings of FEMA on the ground, constrained by the priorities of the Homeland Security Director, which is different than what the needs of this great city and region are. And after reading the exchanges between Director Brown and Secretary Chertoff, it most certainly doesn't seem to be their focus on emergency response in homeland security. FEMA needs to stand and win the internal battles to get priorities on the budget. Moving boxes around in the Federal Government organizational charts should not be our focus. And that is not the solution. The issue is that FEMA must be a priority for the highest levels of leadership. It must be able to command the attention of the Federal Government and the many resources and assets that this Federal Government has to help rebuild and reestablish confidence in any community that would find itself virtually destroyed, as in the case of St. Bernard Parish, a small parish that doesn't get the attention of the national media. But 60,000 people live there, and 95 percent of their homes were destroyed with 15 to 20 feet of water.

Senator BAYH and I had the pleasure of visiting down in that great parish with the great spirit, and just last Friday we walked into an unbelievable sight. A small trailer was sitting in the middle of complete ruin, with brave teachers and administrators inside this trailer trying to conduct what I guess is a summer school for children. We walked into this classroom with the lights low at naptime, with music, where 20 little children were sleeping. When we walked out of that trailer, all you could see was destruction as if you were in a war zone. Yet the happiness on the faces of the children and the spirit of those teachers was really a testament to the resilience of people despite the fact that their Government is failing them. They are not going to fail themselves or their children. But we can do better.

On 9/11, when the terrorists attacked New York, everyone said that one of the major failings was the failure of the communications system. We lost 335 firefighters—not because they lacked bravery, not because they lacked leadership, not because they lacked the armor or the covering to protect them from the fire as they ran to the building when everyone was running away—we lost many of them because their radios didn't work. We couldn't find a few hundred dollars to buy a radio for firemen running into a skyscraper that was falling down. We all know what we did wrong.

Today, we still don't have a system of communication that can operate when the cell phone towers go down, whether they are burned down, blown out, or flooded out. It doesn't exist. Five years is a long time.

I will tell you what we have done in 5 years. We built a continental railroad in 5 years. From the time of Pearl Harbor to Victory Day was 5 years. From the time the *Apollo* drawings were on paper until we hit the Moon was 5 years. But it is 5 years since 9/11.

When the people of the gulf coast had two major hurricanes barrel down on them and they went to use a cell phone, a land line, or a computer, the communications system was down. We were blamed for not having an evacuation plan. Let me say for the last time that the best evacuation plan doesn't work if you can't communicate it to your neighbors, let alone to the doctor in the emergency room or the ambulance driver or the bus driver trying to run the bus or the Superdome operator trying to keep thousands of people safe and fed and cared for.

I know our time is up in just about 2 minutes. I have gone a little over my time. I want to say in closing that there is a lot the Republican Congress could do to keep us on point, to keep us focused on the things that matter to the American people dealing with natural disasters, helping them to rebuild their shattered lives, their homes, their schools, their churches, and their businesses. When these storms and floods come through is one thing. It is very important to the people of this country.

I wish, as a Democratic Senator from Louisiana, that we would spend a little bit more time making sure the communications system works, that FEMA works, and that all the money the taxpayers are spending is being spent well and not wasted. That is sort of the third disaster—not the disaster itself but the disaster of wasting money when people are so desperate for the resources they need to rebuild.

Thank you, Mr. President, for presiding this morning. It is probably not the easiest thing to listen to. But these are some shortcomings that we believe we need to step up to and address for our country and put before the American people, the practical solutions.

I yield the floor.

Ms. STABENOW. Mr. President, I rise today to join my colleagues in calling for a ''Checklist for Change.'' We need a real jobs agenda in this country—one that stands strong and fights for American workers and American businesses.

This is about our way of life—a way of life based on good-paying, middle class jobs and the promise that—with hard work—every American can aspire to do better tomorrow than they did yesterday.

We need to stop the flow of American jobs overseas. Last year, a new $2 billion tax cut that I authored took effect, rewarding companies that create

manufacturing jobs here in the United States.

We need to level the playing field for American businesses. Currency manipulation and the free flow of counterfeit goods from countries such as China have put American workers at an unfair disadvantage for too long.

It is time we had an international trade prosecutor who can go after countries that cheat and make sure that America is getting a fair deal in the world market.

We need a new direction for American workers.

We challenge the Republican Congress to enact tax policies that stop the outsourcing of American jobs.

We challenge them to stand up and enforce our trade agreements so American businesses can compete on a level playing field and keep good-paying jobs here at home.

Americans want to export our products, not our jobs.

And we challenge the Republican Congress to follow the lead of my State of Michigan and raise the minimum wage.

The PRESIDING OFFICER. The Senator from Texas is recognized.

## RESPONSE TO THE CHECKLIST

Mrs. HUTCHISON. Mr. President, I have listened to part of the previous presentations. I think the impression has been given that if we just had a Democratic Senate we could accomplish so much more. But I think in the process of making such a presentation many things have been overlooked or not quite stated in a factual way.

Let me start by saying what has been said—that Republicans have cut $12 billion from college student aid, frozen Pell grants for higher education. Nothing could be further from the truth. The Republican Congress, since President Bush has been in office, has dramatically increased the absolute commitment to helping lower income students, many who are first-time college graduates in their family, and we are helping at the Federal level to an extent never seen before.

For instance, Pell grants will grow by $240 million. The number of recipients will increase by 59,000 to 5.3 million students. Funding for Pell grants rose from $8.8 billion in 2001 to $13 billion in 2006. In 2006, the Department of Education expects to make over $77 billion in grants, loans, and other aid to over 10 million students. It is a fact that we are increasing Pell grants. We are increasing the number of students who are eligible for Pell grants. We need to be honest when we are talking about what the difference would be if there were a Democratic Senate versus the Republican accomplishments.

In addition, the Department of Education in 2006 will make or guarantee more than $60 billion in new student loans, a $4 billion increase over the previous year. That is a huge accomplishment in just one year.

In addition, one of the things this Senate is focusing on currently is trying to get more of our students into the areas of math, science, and engineering because that is where the jobs are in the future. To make sure our students from low-income areas are able to pursue this type of career and to give them special attention, we have added a SMART grants program for Pell-eligible students that will give them a bonus if they pursue a degree in math or science, or a foreign language deemed to be critical for national security. We have taken steps so low-income students, only Pell grant-eligible students, will get this bonus to move in the direction of good jobs in our country.

It is important to stay on the facts and talk about some of the things we have tried to do. ''Tried to do is key.'' Many of the things I have heard in the last hour about what the Democrats would do if they were in charge were somewhat amusing because we have tried to do those very things; it is the other side of the aisle who has kept us from achieving those goals. Consider association health plans—small business health plans that would give millions of workers the opportunity to have affordable health care. Because they work for small businesses—maybe 10 employees or 20 employees—that employer cannot afford to offer health insurance options because the options are too expensive, and employers are not eligible for the big plans that bring the cost down.

We brought to the Senate floor, after trying for years, we passed legislation out of committee and brought to the Senate the small business health plans that would give millions of employees of small businesses the opportunity to have affordable health care. It was the Democrats, by an overwhelming majority of their caucus, who voted against association health plans again and again.

Making health care more affordable is a goal we have. One of the most important things we can do this year is to broaden the number of people who have health care coverage in our country. If the Democrats would sit down and work with us, we could do that. We cannot do it by ourselves. I am very concerned when it is implied that a Democratic Congress could produce this when it is the Democrats who have obstructed Republican initiatives.

Border security. I live in a border state. We have a northern border and a southern border. Since I came to the Senate, we have probably quadrupled the number of Border Patrol agents in both the northern and the southern sectors. We have put billions into more border control facilities, into surveillance techniques that extend the reach when you cannot have a person every mile. You cannot have a person every mile, but you can certainly extend your reach with infrared and UAVs. This is very helpful. We have put our money into this area, and we have made it a focus. Securing our border is going to continue with a Republican Congress.

Tax cuts. I have heard many people say: How can you have tax cuts when we have deficits and so many needs in our country? Let's put the facts on the table. Every time in recent history when we have had tax cuts in this country—from President Kennedy, President Reagan, and President Bush—the revenue of our country has increased. It happened again after the tax cuts of 2003. When people can keep more of the money that they have worked for and earned in their pocketbooks, they will either reinvest it in capital, which will increase jobs and prosperity and, therefore, revenue to our country; or they will save it, which does the same thing; or they will spend it and create new opportunities for jobs in the manufacturing sector.

That is exactly what has happened when the Republicans, over the objections of the Democratic caucus, did push through tax cuts giving marriage penalty relief, giving lower tax brackets for every American who pays taxes, giving a 15-percent capital gains and dividends rate, giving relief across the board to the people who are earning the money in this country that has caused a revenue increase.

Therefore, the deficit of this country is going to be $100 billion less this year than we thought might happen. If we do not continue the tax cuts, it will be a tax increase, and that will stall the economy. We will see the jobless rate rise and our economy will be adversely impacted. So tax cuts are a difference that we will see with a Republican-controlled Congress.

Now I will talk about energy. One of the things we have done in this Congress, which has not gotten very much play, is the Energy bill that was passed through the leadership of Senator PETE DOMENICI as chairman of the Energy Committee. For the first time in 10 years, we passed a significant Energy bill last year through this Republican-led Congress. The focus was on renewables, tax credits for renewables, increased investment in research into renewable energy.

Anyone who has filled up a gas tank, anyone who runs a small business and has higher costs of electricity and natural gas knows we have an energy crisis in this country. One of the reasons why is because we are over 60 percent dependent on foreign sources for our energy needs. These foreign sources are unreliable. We need to do what Americans do. That is, stand up and take control of our destiny. That means we are going to create energy that is renewable and clean, that protects the environment, energy such as biodiesel, made from soybeans; energy such as ethanol, made from corn. Wind energy is producing almost 10 percent of the electricity in my home State of Texas and Texas is a big State. It is very important that we have the wind energy credits we passed in that tax bill because it has enhanced energy resources

in our country. This is a significant contribution to diversifying our energy sources, and it is so important for our country.

My point is this: This Republican Congress has been a steady hand at the wheel. We have supported America's commitment in the war on terror. We have made it a policy that we will not leave when our commitment is not fulfilled. And when it is, and when the generals on the ground say Iraq can secure itself and Afghanistan can do it by themselves, we will then leave. We want to do that. We do not want to stay indefinitely in Iraq or Afghanistan, but we want to keep the terrorists where they are. We will keep our commitment to lower taxes and clean energy. We will keep our commitment to the small business people who are working in America and contributing to the economy. They are the heart of our country. That is what a Republican Congress would do. That is what we are going to continue to fight for.

I hope, rather than saying a Democratic Congress would do it differently, when they have blocked so many of the things we have done, they would cross the aisle and say: Let's do these things together. We can do something bipartisan. People in this country do not care about Republicans or Democrats. They want results. We can do it if we work together across the aisle instead of making so many issues political that do not need to be.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

## WAR ON TERROR

Mr. BOND. Mr. President, I thank my distinguished colleague from Texas for outlining so many of the very important issues facing this country and the Senate today.

I will talk about something that is extremely important to families, to people through the United States. That is the war on terror. How are we going to take the steps to prevent another September 11 attack in the United States?

I don't think anyone who has followed the progress of the Islamofascist terrorists who have threatened us believe we are going to be safe if we try a fortress mentality, to step back and say no one is going to hit us, they don't care about the United States. They do.

We work in a very secure place. People who visit us have to go through all kinds of security. Yes, we have built up some good barriers, good protections. High target areas such as the Congress and the White House are protected.

For the vast majority of places in America, there is no way you can build a security system such as we have here because of the high priority this rates in terms of terrorist interests. After September 11, we started some very serious consideration of what we needed to do to fight against terrorism.

I will read a very good editorial that appeared September 24, 2001.

> The Bush administration is preparing new laws to help track terrorists through money-laundering activity and is readying an executive order freezing the assets of known terrorists. Much more is needed, including stricter regulations, the recruitment of specialized investigators and greater cooperation with foreign banking authorities.
>
> Washington should revive international efforts begun during the Clinton administration to pressure countries with dangerously loose banking regulations to adopt and enforce stricter rules. These need to be accompanied by stronger sanctions against doing business with financial institutions based in these nations.

That is exactly what the Bush administration did. They set up the Terrorist Financing Tracking Program, a very effective program. This program went on clandestinely without any public notice or disclosure.

As the chairman of the subcommittee that funds the Treasury Department and as a Member of the Senate Intelligence Committee, I was briefed on it. I was briefed on the effectiveness of it and how valuable a tool it is to be able to follow the money because the terrorists did not know we could follow when they transferred money from al-Qaida or Hamas or Hezbollah to someone in the United States; or transferred money from a so-called charity in the United States back to a terrorist organization. They did not know how we were doing it. It was effective.

A number of the major terrorist captures we have made, the terrorist operations designed for the United States that we have interrupted, were enabled by the terrorist tracking program.

When the 9/11 Commission made its final report of its recommendations on December 5, 2005, they gave varying degrees of ratings, from the very best being A, to F being a very bad job, to all of the different activities we had undertaken to make our country safe, to make our homeland safe. Regrettably, many of them only got Bs. The Director of National Intelligence, the National Counterterrorism Center, they got Bs. Some of them got even lower grades, working with other countries.

But the one that led the rating was terrorist financing. We were doing the best job fighting terrorist threats to the United States by terrorist-financing tracking. We were, until last week. Because that editorial I read from about the need for that, about the need for international cooperation, was a New York Times editorial of September 24, 2001.

Well, the New York Times has blown the cover—blown the cover—on this very important terrorist-financing activity. Now the terrorists know there is a Belgian-based cooperative called SWIFT, the Society for Worldwide Interbank Financial Telecommunication. The SWIFT operation has a facility in the United States to which the Treasury Department issued narrowly targeted administrative subpoenas to get information on specific terrorist organizations and where their money transfers went. But now the terrorists know.

SWIFT is regulated by central bankers. The oversight committee knew about it. The oversight committee had in it the Federal Reserve, the European Central Bank, the Bank of England, the Bank of Japan, the Bank of Belgium. Their committee members overseeing SWIFT knew how this program was operating, and they knew it was operating lawfully.

But the New York Times, continuing its recent tradition, has decided that its right to publish is more important than the American public's right to be safe from terrorist activities. This is another chapter in a very sad series of revelations of our most sensitive intelligence-tracking activities.

Newspapers knew in World War II we could crack the codes of the Axis, that we were able to monitor the defense and military moves of Germany. But they did not expose it. Why? Because they knew our national interest required us to be able to keep confidential, to keep out of the hands of our enemies, the techniques by which we gathered the intelligence, which helped us win World War II—and which had, until recent disclosures, helped us be able to win the war against terrorist attacks in the United States.

Well, the New York Times has decided that its right to publish takes precedence over America's right to have intelligence collection methods that are not disclosed to the people of the United States and, thus, to the terrorists we attempt to track.

Sadly, as I have traveled around the world, meeting with our intelligence agencies, our military people—all across the globe—I found out, since the disclosures—beginning with the disclosure of the renditions of terrorists to other countries, the activities of the President's terrorist surveillance program—our intelligence capabilities have been compromised. Intelligence operatives tell us collections are way down. We don't know how we can replace these tools that have been disclosed by the New York Times and others.

In February, at the open hearing in the Intelligence Committee, I asked CIA Director Porter Goss: What has the damage been? What has the damage been to our intelligence system from this disclosure? He said: It's been very severe. Let me repeat, very severe.

Then again, when Michael Hayden was in a public hearing on his confirmation to be Director of the CIA, I asked him again—and this was before the disclosure of the Terrorist Finance Tracking Program—I said: What has been the impact of these disclosures on our intelligence system? He said: These disclosures have now applied the Darwinian theory to terrorists because the only terrorists we are capturing are the dumb terrorists. The smart terrorists know what we are doing, and they know how to avoid it. Therefore, they can plan their attacks, and we are severely crippled.

Well, disclosure of this Terrorist Finance Tracking Program is a very severe blow. This one particular program has had, in my view, as many successes as any of the other programs, and it has been a vital part of building the intelligence network that we need, gathering the information we need to identify and take out those people who are planning to launch deadly terrorist attacks in the United States.

I regret to tell my colleagues, my constituents in Missouri, and the people in America that we are much less safe.

This program, the SWIFT Program, did not need to be exposed. The Secretary of the Treasury has written to the New York Times a rebuttal to the disclosure they made. They said: Oh, there is a great need for the people to know this. Well, unfortunately, when the people of America know it, the terrorists know it.

Secretary John Snow, with whom I have worked on this program, laid it out very well. He said in a statement on June 22 of this year: After President Bush made it clear that ensuring the safety of our people from terrorist attacks was our No. 1 priority, one of the most important things the Treasury could do is to follow the flow of terrorist money. They don't lie. Skillfully followed, they lead us to terrorists themselves and, thereby, protect our citizens.

He said:

> Given our intimate knowledge of the global financial system and financial flows, along with our close working relationships with financial institutions around the world, Treasury is uniquely positioned to track these terrorist money flows both internationally and domestically.

He said:

> I am particularly proud of our Terrorist Finance Tracking Program which, based on intelligence leads, carefully targets financial transactions of suspected foreign terrorists. . . . It is an essential tool in the war on terror. . . . It is not ''data mining''. . . . It is not a ''fishing expedition''. . . . today's disclosure [is] so regrettable, because the public dissemination of our sources and methods of fighting terrorists not only harms national security but also degrades the government's efforts to prevent terrorist activity in the future.

If there are people sending money to help al Qaeda, then we need to know about it. We also need to take advantage of that knowledge to follow the money trail and thwart them.

He reports that the 9/11 Commission gave its highest level of recognition to this work.

Well, Mr. President, when we disclose how our allies are working with us, we not only give the terrorists information on how to avoid disclosure, how to keep their activities secret, what we do, and what is very serious, is we tell our allies that we cannot keep a secret. Our allies are getting more and more reluctant to deal with us on any international cooperative missions when everything we do is blown and all of a sudden they read in their papers in the United States how they have cooperated with the United States.

Now, that is not a very popular thing for some of these governments to do, and it makes it far more difficult for us to say: Hey, let's work together on a clandestine intelligence-gathering program that will keep your country safe and our country safe. Bam, they read about it in the newspapers. Well, this makes not only terrorists more able to get around our existing intelligence-collection assets, but it makes our allies far more reluctant to cooperate with us.

Mr. President, I regret to tell you and my colleagues how serious this has been.

I ask unanimous consent to have printed in the RECORD a copy of the letter to the editors of the New York Times by the Secretary of the Treasury, John Snow; a copy of the September 24, 2001, editorial from the New York Times; and a copy of the Final Report on 9/11 Commission Recommendations, in which they said this terrorist financing program was the best.

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

U.S. TREASURY DEPARTMENT,
OFFICE OF PUBLIC AFFAIRS,
*Washington, DC, June 26, 2006.*

Mr. BILL KELLER,
*Managing Editor, The New York Times,*
*West 43rd Street, New York, NY.*

DEAR MR. KELLER: The New York Times' decision to disclose the Terrorist Finance Tracking Program, a robust and classified effort to map terrorist networks through the use of financial data, was irresponsible and harmful to the security of Americans and freedom-loving people worldwide. In choosing to expose this program, despite repeated pleas from high-level officials on both sides of the aisle, including myself, the Times undermined a highly successful counter-terrorism program and alerted terrorists to the methods and sources used to track their money trails.

Your charge that our efforts to convince The New York Times not to publish were ''halfhearted'' is incorrect and offensive. Nothing could be further from the truth. Over the past two months, Treasury has engaged in a vigorous dialogue with the Times—from the reporters writing the story to the D.C. Bureau Chief and all the way up to you. It should also be noted that the co-chairmen of the bipartisan 9–11 Commission, Governor Tom Kean and Congressman Lee Hamilton, met in person or placed calls to the very highest levels of the Times urging the paper not to publish the story. Members of Congress, senior U.S. Government officials and well-respected legal authorities from both sides of the aisle also asked the paper not to publish or supported the legality and validity of the program.

Indeed, I invited you to my office for the explicit purpose of talking you out of publishing this story. And there was nothing ''half-hearted'' about that effort. I told you about the true value of the program in defeating terrorism and sought to impress upon you the harm that would occur from its disclosure. I stressed that the program is grounded on solid legal footing, had many built-in safeguards, and has been extremely valuable in the war against terror. Additionally, Treasury Under Secretary Stuart Levey met with the reporters and your senior editors to answer countless questions, laying out the legal framework and diligently outlining the multiple safeguards and protections that are in place.

You have defended your decision to compromise this program by asserting that ''terror financiers know'' our methods for tracking their funds and have already moved to other methods to send money. The fact that your editors believe themselves to be qualified to assess how terrorists are moving money betrays a breathtaking arrogance and a deep misunderstanding of this program and how it works. While terrorists are relying more heavily than before on cumbersome methods to move money, such as cash couriers, we have continued to see them using the formal financial system, which has made this particular program incredibly valuable.

Lastly, justifying this disclosure by citing the ''public interest'' in knowing information about this program means the paper has given itself free license to expose any covert activity that it happens to learn of—even those that are legally grounded, responsibly administered, independently overseen, and highly effective. Indeed, you have done so here.

What you've seemed to overlook is that it is also a matter of public interest that we use all means available—lawfully and responsibly—to help protect the American people from the deadly threats of terrorists. I am deeply disappointed in the New York Times.

Sincerely,

JOHN W. SNOW,
*Secretary, U.S. Department of the Treasury.*

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[From the New York Times, Sept. 24, 2001]

FINANCES OF TERROR

Organizing the hijacking of the planes that crashed into the World Trade Center and the Pentagon took significant sums of money. The cost of these plots suggests that putting Osama bin Laden and other international terrorists out of business will require more than diplomatic coalitions and military action. Washington and its allies must also disable the financial networks used by terrorists.

The Bush administration is preparing new laws to help track terrorists through their money-laundering activity and is readying an executive order freezing the assets of known terrorists. Much more is needed, including stricter regulations, the recruitment of specialized investigators and greater cooperation with foreign banking authorities. There also must be closer coordination among America's law enforcement, national security and financial regulatory agencies.

Osama bin Laden originally rose to prominence because his inherited fortune allowed him to bankroll Arab volunteers fighting Soviet forces in Afghanistan. Since then, he has acquired funds from a panoply of Islamic charities and illegal and legal businesses, including export-import and commodity trading firms, and is estimated to have as much as $300 million at his disposal.

Some of these businesses move funds through major commercial banks that lack the procedures to monitor such transactions properly. Locally, terrorists can utilize tiny unregulated storefront financial centers, including what are known as hawala banks, which people in South Asian immigrant communities in the United States and other Western countries use to transfer money abroad. Though some smaller financial transactions are likely to slip through undetected even after new rules are in place, much of the financing needed for major attacks could dry up.

Washington should revive international efforts begun during the Clinton administration to pressure countries with dangerously

loose banking regulations to adopt and enforce stricter rules. These need to be accompanied by strong sanctions against doing business with financial institutions based in these nations. The Bush administration initially opposed such measures. But after the events of Sept. 11, it appears ready to embrace them.

The Treasury Department also needs new domestic legal weapons to crack down on money laundering by terrorists. The new laws should mandate the identification of all account owners, prohibit transactions with ''shell banks'' that have no physical premises and require closer monitoring of accounts coming from countries with lax banking laws. Prosecutors, meanwhile, should be able to freeze more easily the assets of suspected terrorists. The Senate Banking Committee plans to hold hearings this week on a bill providing for such measures. It should be approved and signed into law by President Bush.

New regulations requiring money service businesses like the hawala banks to register and imposing criminal penalties on those that do not are scheduled to come into force late next year. The effective date should be moved up to this fall, and rules should be strictly enforced the moment they take effect. If America is going to wage a new kind of war against terrorism, it must act on all fronts, including the financial one.

FINAL REPORT ON 9/11 COMMISSION RECOMMENDATIONS

[December 5, 2005]

| Homeland Security and Emergency Response | |
|---|---|
| Radio spectrum for first responders | F/C* |
| Incident Command System | C |
| Risk-based homeland security funds | F/A* |
| Critical infrastructure assessment | D |
| Private sector preparedness | C |
| National Strategy for Transportation Security | C – |
| Airline passenger pre-screening | F |
| Airline passenger explosive screening | C |
| Checked bag and cargo screening | D |
| Terrorist travel strategy | I |
| Comprehensive screening system | C |
| Biometric entry-exit screening system | B |
| International collaboration on borders and document security | D |
| Standardize secure identifications | B – |

| Intelligence and Congressional Reform | |
|---|---|
| Director of National Intelligence | B |
| National Counterterrorism Center | B |
| FBI national security workforce | C |
| New missions for CIA Director | I |
| Incentives for information sharing | D |
| Government-wide information sharing | D |
| Northern Command planning for homeland defense | B – |
| Full debate on PATRIOT Act | B |
| Privacy and Civil Liberties Oversight Board | D |
| Guidelines for government sharing of personal information | D |
| Intelligence oversight reform | D |
| Homeland Security Committees | B |
| Unclassified top-line intelligence budget | F |
| Security clearance reform | B |

| Foreign Policy and Nonproliferation | |
|---|---|
| Maximum effort to prevent terrorists from acquiring WMD | D |
| Afghanistan | B |
| Pakistan | C+ |
| Saudi Arabia | D |
| Terrorist sanctuaries | B |
| Coalition strategy against Islamist terrorism | C |
| Coalition detention standards | F |
| Economic policies | B+ |
| Terrorist financing | A – |
| Clear U.S. message abroad | C |
| International broadcasting | B |

FINAL REPORT ON 9/11 COMMISSION RECOMMENDATIONS—Continued

[December 5, 2005]

| | |
|---|---|
| Scholarship, exchange, and library programs | D |
| Secular education in Muslim countries | D |

*If pending legislation passes.

Mr. BOND. I would say also, it is fully compliant with the regulations, with the Constitution, and with statutes. If anybody wants to know, I will be happy to talk with them. There was no genuine public right to know that was satisfied by blowing this program. It was legal, and it was effective. No longer will it be effective, and no longer can we be as safe as we were before these disclosures started.

I yield the floor.

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

## RESPONSIBLE BUDGETING

Mr. GREGG. Mr. President, I rise to speak about a package of initiatives which were reported out of the Budget Committee, the purpose of which is to put some order into our financial house and to try to make the Government of the United States an affordable event for its citizens, especially for younger people who will be working to support the next generation as it retires.

This package has been grossly misrepresented by the other side of the aisle, especially by the leader on the other side of the aisle and by the assistant leader and by other Members who have come to the floor. They have taken out the bloody shirt of Social Security and waved it at this package in a totally irresponsible manner. Therefore, I think it is appropriate to come to the floor and point out what the facts are versus what they believe the politics should be.

The facts are rather startling, regrettably, as we head into the retirement of the baby boom generation, which is the largest generation in our history. The cost of supporting that generation, which will have to be paid by our children and our children's children, is astronomical.

There is now pending on the books of the Government $65 trillion—that is with a ''T''—of unfunded liability. What does that mean? That means we have programmatic obligations on the books of the Government—obligations to retired people, primarily—which will cost $65 trillion more than what we know will come into the Government under the present projections. In other words, we do not have the money to pay for it. We do not know where the money is going to come from. But we do know we have these obligations on the books.

To try to put a trillion dollars in perspective, or this number into perspective, since the beginning of the Nation, since the beginning of our country, we have only collected $40 trillion in taxes—only. We have collected $40 trillion in taxes: a lot of money. The total net worth of America and Americans—if you take all our cars, all our houses, all our stock, all our businesses—is $51 trillion. So we have on the books an obligation which exceeds our net worth as a nation.

We have to figure out how we are going to afford to pay for that, especially how our children are going to afford to pay for it because they are the ones who are going to bear the burden.

To try to put this in even more precise perspective, three programs—three retirement program, specifically; Social Security, Medicare, and Medicaid—will cost the American taxpayer more, as we head into the year 2025, than what the total Government cost the American taxpayer today as a percent of gross national product. Traditionally, the Government of the United States has spent about 20 percent of the gross national product of America. These three programs alone, as a result of the retirement of the baby boom generation—which is the largest generation in the history of our country, by a factor of two—will cost the American taxpayer everything that we presently pay into the Government by the year 2025.

So that means, at that point, to pay for those three programs, you would be unable—if you were going to maintain the historical spending of the Government—you would be unable to pay for national defense, for education, for environmental cleanup, for all the other things the Government does.

And that is only the start. Because as that baby boom generation gets into fuller retirement, the cost of those programs continues to go up. What does that mean in practical terms? It means our children and our children's children, in order to support the retired generation, would have to pay a dramatic increase in taxes under the present scheme.

Basically, it would mean our children would be unable to afford a better lifestyle. They probably could not send their kids to college, buy a house or purchase a car the way our generation has been able to do because they would be sending so much of their money to the Federal Government to support these basic programs which are mandatory. It is not a tolerable proposal for our country. We cannot say, as one generation, that we are going to put on the books obligations that make the next generation pay so much in taxes that they essentially would not be able to live the quality of life we have. We would undermine their quality of life, and it is not fair to them.

What we did in the Budget Committee was try to address this, not by policy changes but by putting in place processes which will force us to face up to fiscal discipline, which will force us as public policymakers, the Senate and the House and the executive branch, to look at these numbers, these facts which exist. And they will not change unless we do something because the

generation that is going to cost all this money is already alive. It is my generation, the baby boom generation. We are this huge generation. We are going to cost our children these types of dollars. It is not going to change unless we do something.

It will force us, as public policymakers, to face up to this reality, these proposals which came out of the Budget Committee. The major point is, we have a huge problem coming at us as a Government, as citizens, and as parents. You can't tax your way out of it. You cannot possibly raise taxes enough to pick up the cost of these programs and still give earning Americans an opportunity to live well.

So what is the reaction from the other side of the aisle? They want to immediately attack any proposal, even though this one has no policy attached to it—it simply has processes which force a policy to occur, no specific policy to occur—attack any proposal as an attack on Social Security. How grossly irresponsible is that? How incredibly inappropriate is that? Does the other side of the aisle believe that our children should be faced with a burden which they cannot possibly afford? That seems to be the case. They have walked off the playing field of responsible public policy, waving the bloody shirt of Social Security for the purposes of political gain. It is inexcusable on their part.

What is the proposal we brought forward, this outrageous proposal which, according to the other side, is so outrageous? It is pretty simple. It is very responsible. It is an attempt to get at the essence of the problem we have today. It has eight parts. The first part puts back in place an idea which the other side of the aisle offered 2 years ago. Yet now they claim it is horrific, the statutory caps, which says on discretionary spending, that when we put caps in place, they will be enforceable. Today we put caps in place, but they get waived around here like buying peanuts. This goes back to the old Gramm-Rudman approach, where you have enforceable statutory caps. That means we set a number. We agree, as a Congress, this is how much money we are going to spend. Then we say: You actually can't spend more than that, unless you have a cut somewhere else.

That is totally irresponsible, according to the other side. We did it a few years ago. It worked. In fact, Chairman Greenspan said it was the most significant budgetary reform that has occurred around here in a long time. We are suggesting we put it back in place. It affects discretionary spending, which is every year spending, not mandatory spending.

The second idea—I will skip down so we can go in order—is to put in place a BRAC Commission. We had a BRAC Commission for defense spending, and it worked. We did it five times. This is a BRAC Commission for the whole Government, same idea, same philosophy. It says, take a look at the programs and then have the Commission send the ideas to the Senate and then the Senate has to vote for them or against them. It is a reasonable approach to trying to do something which we have not been able to do on a one-by-one basis. It is a broader approach.

It also has the President's proposal for a line-item veto or expedited rescission. It is a better proposal than what the President actually sent us because it is more balanced relative to the legislative branch and the executive branch. In fact, it is an idea that passed the Congress. In 1996, we voted for a much stronger line-item veto than this. It gives the President the ability, when we send him these omnibus bills that have billions of dollars of spending in them, rather than veto the whole bill and shut down the Government, for example, he can now put together a package of specific programs in those bills that he doesn't think make sense, send them up here, and Congress has to vote on them in an expedited process, for or against them. Obviously, he will have to send up a package which has majority support or else it will not get passed.

And we put in language which says that to the extent there is a rescission as a result of this, the savings have to go to the deficit. That is a very strong idea, in my opinion.

We also have biennial budgeting, an idea which people think will be a more effective way for us to address budgeting. We are now effectively in a biennial process anyway since every year there is an election, we can't pass a budget around here; at least we haven't in the last three election cycles, both under Democrats and Republicans.

And then there is reconciliation reform. The essence of the package is the mandatory reform effort, the effort to try to address this chart where Social Security and Medicare and Medicaid are essentially going to bankrupt our children, unless we do something intelligent about it. This is where the other side of the aisle has been so grossly irresponsible—first, in characterizing it, because they have been factually inaccurate, and then abandoning the field of debating the issue and coming up with other processes, if they believe they are better ideas. The first approach is something that passed this Congress already. It basically says that if Medicare for 2 years in a row is found to take more than 45 percent of its support out of the general fund—Medicare is supposed to be a hospital insurance program, not supposed to be supported by the general fund—if for 2 years in a row it is supported by general taxation by more than 45 percent of its costs, then a point of order is put in place, which can be waived by 60 votes, so it can be waived against any new entitlement spending. It is a reasonable approach. It is actually not that strong an approach, but it is something that basically highlights the problem.

Then we get to the more substantive policy driving events. An Entitlement Commission is put in place. This is where the other side has grossly misrepresented the facts and then taken out the bloody shirt and attacked the facts which they grossly misrepresent. And that's a great idea. First, you make up what the position is, and then you attack that position. And then you take absolutely no responsible position on your own part, which is exactly what the other side has done. Obstruction has become the only thing which the other side of the aisle appears to be able to do, obstruction for the purpose of obstruction for the purpose of obtaining power around here.

When are they going to face up to the fact that we are supposed to be doing policy which addresses the needs of our children especially and the affordability of the Government specifically?

What is the Entitlement Commission? It is a group of people who are put together. They are chosen by the leadership of both sides of the aisle. There will be eight Republicans and seven Democrats, if it were to be put in place today. Eight and seven, that is not an overwhelming majority for our side of the aisle. And it takes 10 members of the commission to put together a report to be sent under expedited procedures.

The leader on the other side of the aisle says: This is an outrage. It is a Republican steamroller. Tell me what is the steamroller. Eight to seven representation, takes ten people to put out a report? And then the other side of the aisle goes so far as to say: And they can't consider taxes.

That is a total misrepresentation also. They can consider taxes under the Entitlement Commission. And then they say: 51 votes are going to pass it. That is a total misrepresentation again. The proposal takes 60 votes to pass.

In response to the issues raised by the Senator from North Dakota in the markup of this bill and because I accepted the fact that maybe it wasn't structured correctly the first time around, we responded to that concern. The other side of the aisle, the leadership of the other side of the aisle not only doesn't give us credit for responding to the concerns of the Senator from North Dakota because we changed it so that it became a balanced commission—we changed it so that it takes a supermajority to report from it and then it takes a supermajority to pass it—they not only don't acknowledge the changes, they would say that we didn't make the changes and then attack the proposal and put forward absolutely no policy of their own.

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

Mr. GREGG. No, I won't yield. I think I have heard a significant amount from the other side of the aisle that has been irrelevant, inaccurate, and incorrect. And yielding at this time would limit my time.

The third item in this is the ability of the Congress to reduce the deficit as

a percentage of gross national product. We know that if we don't get the deficit down, our children are going to get all these debts. So what we put in a place as a mechanism that says essentially the deficit, as a percentage of gross national product, shall be reduced as a percentage of gross national product every year until we get to a balanced budget, essentially a balanced budget by the year 2012, and if we don't hit those deficit targets—and they are fairly reasonable because actually the next 2-year targets we have already hit or we will hit under present projections, so this doesn't even kick in, and it doesn't look like it is going to kick in because it looks like we will get to a balanced budget—should we not continue on that path, then what will happen is there will be a reconciliation instruction because we know that 60 percent of all spending around here goes to mandatory accounts. We will say to the mandatory account committees: Reconcile your accounts so that they can be brought into line with these projections for the deficit to head to zero.

What does that mean? That means that there will be policy changes which will allow savings to occur. I presume those policy changes, to the extent they affect entitlement programs such as Social Security, Medicare, and Medicaid, will tie into the Entitlement Commission report. Should those two mechanisms which force policy to be addressed not be accomplished, then you go to a sequester on entitlement mandatory spending, something that has never happened around here. And I don't expect it would ever happen because one presumes responsible people would want to make the policy changes to get to the targets rather than allow it to happen automatically.

So where is the irresponsibility here? Well, the irresponsibility is on the other side of the aisle, which has buried its head in the sand of obstructionism because it wants to take power around here. It feels that if it doesn't do anything, if nothing is done around here, then outrage will occur and people will vote them into power. How cynical is that approach to governance?

I have said I am willing to adjust this. In fact, on the Commission, the Senator from North Dakota suggested that we change the makeup and make it all Members of Congress versus outside individuals. I am amenable to that. If he wants to bring that amendment forward, fine. The Senator from North Dakota at the markup said: It doesn't consider tax increases. Actually, the Commission can consider tax increases. But I said: Let's take it to the floor and discuss the issue of pay-go or tax-go, as I would call it, which is the only proposal from the other side of the aisle, to raise taxes. But no, the response is: This is going to savage Social Security. This is going to undermine Social Security. This is going to privatize Social Security—all the words the pollsters have told them to use to try to get reelected.

I will tell you what is going to savage Social Security. It is going to be my generation retiring and demanding the benefits that they have been paying for all of our working life and having our children have to pay for those benefits. Our children are going to get up in arms and say: We would like to buy a house. We would like to send our kids to college. We would like to have the good life you had, and we can't afford it because you put this huge tax burden on us. Because you, during your term of office, were unwilling to be responsible and address these issues.

We have tried to be responsible. We have tried to bring forward a package which should be debated and which should be effectively moved forward in order to try to reverse the direction which we are inevitably going toward, which means if we stay on this course, we will eliminate the capacity of our children to look forward to the Government. So we brought forward this package which we call stop overspending. It may not have all the elements it needs. It clearly needs some tweaking here and there. I don't limit that. But it should not be attacked in the way that it has been attacked through the demagoguery of Social Security's bloody shirt being waved at it.

That is not responsible. That is not governance. That is simply obstructionism for the sake of political gain.

At this point, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

## STATE OF THE ECONOMY

Mr. BENNETT. Mr. President, yesterday, in the Joint Economic Committee, we heard from the chairman of the President's Council of Economic Advisers. As often happens in that committee, there were a number of issues raised. I would like to take the floor simply to clarify where we really are with respect to the economy. There are so many things being said in this election period about the economy that it is always nice to reflect on what the late Senator Moynihan used to say:

> Everyone is entitled to his own opinion, but not to his own facts.

Let's spend a little time talking about the facts and understand where the economy is. With a series of charts, I will try to do it as quickly as I can, with an understanding of where the economy currently is.

This first chart demonstrates economic growth as measured by GDP, gross domestic product. The bars on the chart represent quarters. The quarters with positive GDP growth are represented by blue bars. Quarters with declines in GDP are represented by red bars. If you will notice here in the beginning of 2000, the economy started to shrink—that which we refer to as the recent recession which began in 2000. These are the quarters in which that happened. We got a recovery starting in the fourth quarter of 2001, but as these bars above the zero line demonstrate, the recovery was pretty anemic. Not much happened for a little over a year, as the recovery did not get traction. The recovery took off in the second quarter of 2003. That happens to be the time that we passed tax relief. Economists will argue as to whether the tax relief that was passed at that time is responsible for the recovery, but as they say in Manhattan, ''it couldn't hurt,'' because the tax relief was passed there, and we see the strong economic growth that has occurred ever since the second quarter of 2003.

Let's go to the next chart. There was talk that, well, we may be in recovery, but we are not getting any jobs; this is a jobless recovery. Where are the jobs? This chart demonstrates that, indeed, that is correct. Starting in 2000, the jobs started to disappear, and we had a long period that went on where the job base was shrinking in this country. In 2003, that turned around, and we started to see strong job creation since the second quarter of 2003. Once again, that is the quarter where we passed tax relief. Did the tax relief cause the job recovery? Nobody can prove that it did or it didn't. Once again, it didn't hurt.

Now we go to the question of business investment. The recession, once again, started in 2000. Business investment went into negative territory all through 2001, 2002, and then, in the third quarter of 2003, after we passed tax relief, business investment picked up. All of these things started going up after this one event of the passage of tax relief. Did the tax relief cause the business investment to go up? No one knows, but once again, it couldn't hurt.

All right. With those facts before us, and they are indisputable, we now hear the argument: Yes, maybe the GDP growth is occurring; yes, maybe the jobs have come back; yes, maybe business investment has come back. But the big problem is that real wages are down; because productivity has gone up, real wages have gone down.

Here is a historic demonstration of the tie between productivity and real wages. This goes back to 1950. The blue line on the chart is productivity growth; the red line is growth in real compensation including benefits. The two grow together. The outstanding increase in productivity we have had since 2003 has not produced a lowering of real compensation to workers. The best thing that can happen for real wages, historically, is for productivity to go up. So those who are bemoaning the increase in productivity, saying, yes, but real wages are down, are ignoring 50 years of history and the current facts.

We are told that the wages people take home are down; the wages people have in their pocketbooks are down in this recovery. Here on this chart, from the Bureau of Labor Statistics, is the evidence of what is happening to real hourly wage growth. We can see that, in previous recessions, every time

there was a recession, real wage growth went down; recession, real wage growth went down; recession, real wage growth went down. In this recession, real wage growth did not go down as much as it historically has; real wages stayed higher than they have been in the past.

During this period of recovery, it looks like—yes, that argument has merit—real wages are going down. However, one of the things we have to recognize is that this chart does not include benefits. When you add benefits to wages and get the total compensation that goes into someone's pocket, the picture changes. Consider the next chart. Again, the dark blue line on the chart is productivity, and it shows that employee compensation in total in a recession goes down as productivity goes up. It goes down as productivity goes up. It goes down as productivity goes up. It goes down as productivity goes up. And then, when the recovery takes hold, real compensation comes back up above the line.

Here are the facts. Taking this as the line between growth and shrinkage, real employee compensation, including benefits, has been in positive territory. It went below that, just as it has in every previous recession, but when the recovery took hold, employee compensation has gone into positive territory and come back up to join productivity, just as it has done historically.

Where do we get these arguments that real wages are going down? It is the difference between the two charts. The difference is that one chart looks at wages only, and ignores benefits. The other shows total worker compensation that includes wages and salaries, but also benefits workers receive. Now we can consider some statistics that I hope make the importance of the distinction between wages only and wages plus benefits very clear. The employment cost index data shown in the final chart shows that in the 1980s, real compensation growth grew at a 0.82 percent rate. In the 1990s, coming after the recession—we have taken the recession out of this—the period of growth during the Clinton administration stayed at virtually the same level. But from 2001 to the present, it is much stronger, at 1.11 percent.

How can that be, given the rhetoric we have heard? Well, if you go to the salary growth, take out the benefits, you find that portion of that wage and salary growth was 0.46 in the 1980s. It was 0.82 percent in the 1990s. It was only 0.39 since the beginning of 2001. This is the number which is being focused on as a demonstration of the fact that people's wages are not that good. But when you look at the benefits growth, you find that benefits grew in the 1980s at 1.76 percent. In the 1990s, at 0.73 percent growth, there was very anemic benefit growth. That is why this number is so close to this number, because the benefit growth actually pulled this number down. But when you get to what has happened from the beginning of 2001 to now, people are contracting for more benefits. The benefit growth is extremely strong, which is why real compensation is stronger in the post-2000 period than it was in either of the previous two decades—not a bad economic record since the year 2000 and the recession we had.

I have more to say on this, but I recognize that other Senators wish to speak, so I will conclude here. I wish to make it clear that the facts demonstrate that we have a strong economy currently going, and the facts demonstrate that real compensation is keeping up with it. Productivity is going up at an accelerated rate, and real compensation is also going up at an accelerated rate. We should be proud of what we have accomplished since coming out of the recession of 2000.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, can you tell me what the order before the Senate is at this moment?

The PRESIDING OFFICER. The majority has 2 minutes remaining in morning business.

Mr. DURBIN. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I ask unanimous consent that Senator LIEBERMAN and I be recognized for 30 minutes equally divided, but that prior to that recognition, my colleague from South Dakota be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Mr. President, I will not object, but I ask to be recognized for 10 minutes after the Senator from South Dakota, and I believe the Senator from North Dakota will be seeking recognition for 20 minutes. I don't know when Senator LIEBERMAN is arriving. Would it be appropriate now to lock in these three requests—10 minutes for the Senator from South Dakota, 10 minutes for myself, and 20 minutes for the Senator from North Dakota?

Ms. COLLINS. Mr. President, I know of no objection to that request. I would not object.

Mr. DURBIN. Mr. President, I make a unanimous consent request that the Senator from South Dakota be recognized for 10 minutes, I be recognized for 10 minutes, followed by the Senator from North Dakota for 20 minutes, and the Senators from Maine and Connecticut be recognized for 30 minutes.

Ms. COLLINS. If the Senator will withhold, I will object to that because the Senator from Connecticut and I had been planning to speak at 11:30. So what I would suggest, if it would be acceptable to the Senator from Illinois, is that the Senator from Connecticut and I would cut our time from 30 minutes to 20 minutes but proceed immediately before the other Members are recognized. Would that be acceptable to the Senator from Illinois, since we were here first?

Mr. DURBIN. The Senator from Maine is so persuasive. I don't know if the Senator from South Dakota still wants recognition.

Mr. THUNE. Yes.

Mr. DURBIN. So I ask unanimous consent that the Senator from South Dakota be recognized for 10 minutes, the Senators from Connecticut and Maine for 20 minutes combined, and then the Senator from North Dakota and myself for 30 minutes.

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

The Senator from South Dakota is recognized.

## THE WAR ON TERROR

Mr. THUNE. Mr. President, I rise to speak today about one of the great issues that faces us in this era, the war on terror. I rise to speak in support of the efforts being undertaken by our soldiers in Iraq. I consider my place on the Armed Services Committee to be an honor and a privilege. American soldiers are deployed the world over, and it is my duty to serve and to support them.

Today, our country is at war against an ideology of hate and oppression that has turned a peaceful religion into a platform for war. Our soldiers have faced such adversities throughout our history and defeated them. That is why yesterday I voted in favor of a constitutional amendment to protect the flag, which represents what our soldiers have always fought for.

The fight to combat Islamic fascism has not ended. Our soldiers, alongside Iraqi security forces, are fighting against the enemies of a free Iraq—enemies like Zarqawi, who made war on Americans and Iraqis alike. Zarqawi butchered innocent Iraqis in the streets with the hopes that he could intimidate them into submission or spark a civil war where his ideology of hatred could live. Zarqawi was wrong, and now he is dead.

Further, today we have reports that Iraqi security forces arrested a key al-Qaida figure who was involved in the destruction of the golden al-Askariya Mosque. Moreover, the Iraqis have not abandoned hope and neither should we. To the contrary, Iraqi and American forces are working together to bring a fledgling democracy into maturity. Iraqis are risking their lives so that their future generations can enjoy the freedoms of liberty.

While the Iraqis work toward unity, the U.S. Congress seems to be heading toward disunity. I am concerned over the increasingly visceral, unobjective, and unconstructive rhetoric launched by some on the other side regarding the global war on terrorism. I tried to remain silent on this matter waiting for the Democratic leadership to offer a constructive plan or enter into a constructive dialog. Unfortunately, neither of these things has happened.

To date, the Democratic plan for dealing with Iraq and the war on terror consists of simply quitting as soon as possible and launching a campaign of personal and negative attacks on the President and his administration. I suppose as we enter the beginning of an election year, the rhetoric will only get worse, and the issue will become more polarized.

The unfortunate victims of this Democratic charade are not the American people but the American soldier. Day after day, our soldiers see and hear people in this Chamber hammering away at the point that we are losing the war in Iraq, that Iraq is a lost cause or that this is a winless war, while all the time hiding behind the inconsistent mantra of opposing the war but supporting the soldiers. After visiting soldiers in both Iraq and Walter Reed Hospital, I am confident that for American soldiers there is no unwinnable war.

That is why I voted against Democratic amendments calling for troop withdrawals or artificial timelines. I believe the troops in Iraq are doing the work we have asked them to do, and that if we focus right now on artificial timelines, we will be doing them a grave disservice. I believe the calls that have come out of here are wrong for a couple of reasons.

First of all, they violate the spirit of the separation of powers doctrine that interferes with the President's ability to act as Commander in Chief.

Second, I think they turn what should be battlefield decisions into decisions made by politicians. Our commanders should make troop need decisions based on conditions on the ground.

The ''long war,'' as referenced by President Bush and also by Osama bin Laden, is not a war for Iraq, it is a war for hope, compassion, kindness, and a restoration of freedom to people the world over.

Now is not the time to send a message to Islamic fascists that they have won and we are pulling out because America has lost its resolve.

It is important to spur the Iraqis on, but we cannot force them to try and establish a working democracy by threatening to leave.

Since March of 2003, when American troops entered Iraq, there has been a great deal of advancement. While some on the other side take every opportunity to point out flaws and failures, I would like to point out that in January of 2005, 8 million Iraqis voted for a Transnational National Assembly, and in August Iraqi assemblymen presented a Constitution to their countrymen. In October, 80 percent of the people voted to ratify that new Constitution, taking their first steps to create a permanent government.

The people of Iraq have not undertaken this path to freedom without danger. They risk their lives standing in lines at voting booths and recruiting stations. Iraqis do these things because they know that they are taking the necessary steps which will govern their future.

While there have been positive advancements regarding the Government, the private sector has also seen improvements as well. There is much work to be done here. I will not stand before the Senate and state otherwise. However, the road to progress in Iraq is paved with growth. Oil production has increased from 1.5 million barrels per day to 2.25 million barrels per day. Electricity is also growing. U.S.-funded programs have added 2,700 megawatts to the national grid. It is clear that we need to inspire more Iraqi involvement, but that is not a farflung goal.

Since April 2003, 30,000 new businesses have started in Iraq, and their stock market is trading over $100 million per day.

I am very proud of what American soldiers have done in Iraq, and I believe more needs to be done. Every day we help Iraq move to a permanent government is another day we help Iraq become stable and no longer in need of America's servicemen. I will not abandon the idea that a free Iraq can be achieved or allow my actions to be governed by opinion polls or popularity contests.

It is not just Iraq that we are talking about, it is about the global war on terror and American security. Whether we want to acknowledge it or not, Iraq has become the front line in the war on terror, and those terrorists who are pinned down in Iraq are not planning and launching attacks against the United States.

In fighting and winning the war on terror, ''eternal vigilance'' is the operative phrase. Thomas Jefferson said: ''The price of freedom is eternal vigilance.''

Irrespective of how or under what circumstances we got there, we must now complete the mission. We must win. Failure means relegating future generations to a world of terror and fear where thugs and rogues rule and where freedom, as we know it, becomes a thing of the past.

The global war on terror is about not only bringing stability and freedom and democracy to that region of the world, it is also about ensuring that Americans can live in peace and security in the future. Every single day that our brave and courageous men and women are taking the fight to the terrorists in Iraq, it means we are not fighting them on American soil.

So I rise today again to congratulate and thank those brave men and women who are carrying freedom's torch in Iraq and doing the heavy lifting that is necessary to keep this country safe and secure for the future.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Illinois.

Mr. DURBIN. Mr. President, I would like to amend my earlier unanimous consent request to add the following: That after I have spoken for 10 minutes and Senator CONRAD has been recognized for 20 minutes, the Senator from Colorado, Mr. SALAZAR, be recognized for 20 minutes.

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

The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the Chair.

(The remarks of Mr. LIEBERMAN and Ms. COLLINS pertaining to the introduction of S. 3595 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

(The remarks of Mr. DURBIN pertaining to the introduction of S. 3588 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

## THE BUDGET

Mr. DURBIN. Madam President, I came to the floor a few minutes ago when Senator GREGG from New Hampshire was here. Senator GREGG is the chairman of the Senate Budget Committee. I listened carefully as he talked about a plan to reform budgeting in America. The first thing I can recall was the phrase often used by a friend of mine who serves in the House of Representatives, Congressman DAVE OBEY of Wisconsin, who frequently chides Members of Congress from both sides of the aisle for ''posing for holy pictures.''

I thought to myself, how interesting it is to hear the chairman of the Senate Budget Committee coming to the floor preaching for dramatic reform when it comes to budgeting. If one were not aware of the history of budgeting under this administration and under Republican leadership in Congress, you might be able to sell this story. But it is hard to sell when you look at facts.

When President Bush took office, he inherited a surplus. It was one of the first surpluses in the Federal budget in decades. It was the result of President Clinton increasing taxes and cutting spending, determined to reduce the deficit.

We reached the point where we had surpluses that were being generated so they could pay down the debt to the Social Security trust fund, give it longer life, make certain that we were moving toward a fiscally sound future. President Bush inherited a Federal budget surplus. He also inherited a national debt of $5.3 trillion.

Now where are we today, almost 6 years into the Bush-Cheney administration? The national debt in America has risen under the Bush-Cheney administration from $5.3 trillion to almost $9 trillion. In 6 years, it is a dramatic increase. During that 6-year period of time this administration, with a Republican Congress, has consistently given us deficit after deficit after deficit, digging the hole deeper and deeper.

So when you take a look at the situation, you say, clearly, the Democrats

must be at fault in this situation. But with the exception of 1 year, these were Republican Congresses generating the spending bills. So how many spending bills from Congress did President Bush veto in the 6 years he has been President of the United States? How many times did he say no to overspending by Congress? How many times did he use his Presidential veto pen denying earmarks by Congress? None. Not one. Zero. In 6 years, never. This President has never used his veto pen to stop spending by this Republican Congress, not one time.

Now comes these Republican leaders, and they say the problem isn't discipline. The problem isn't the President's veto. We have to reform the system. Now they are talking about this elaborate reform of the system.

If you are a student of political history, you have seen this before. When President Reagan's administration brought us the biggest deficits in the history of the United States, those who were responsible for the deficits were quick to the floor of the Senate, pleading for an amendment to the Constitution, a balanced budget amendment to save them from themselves. It did not pass, and it should not have passed because, as President Clinton demonstrated over 8 years, it isn't a matter of a weakness in our Constitution. It was a weakness of political will by the Republican side.

If you will take control of this economy and of this budget, you can truly reduce deficits and create a surplus. That isn't just a promise, it was a fact under the Clinton administration and evidence of failure in the Bush administration they have not come close to a surplus in any year. Now, as we face these record deficits and record debt for America, what do we hear from the Republican side of the aisle? It isn't our fault. We have to change the system.

No, you don't. The system worked under a Democratic President. The system worked to generate a surplus. Now to have them come as political sinners posing for holy pictures when it comes to balancing the budget is a very thin charade that most Americans will see through.

We understand what this is all about. It was not that long ago that President Bush decided to privatize Social Security. It was an idea that flopped across America. The President took his road show out, and every time he made a speech about privatizing Social Security, the popularity of the idea plummeted. Finally, he gave up on it, as he should have. It is a bad idea to cut back on the cost-of-living adjustments that people living under Social Security count on. It is a bad idea to take money out of the Social Security system, when we know we have made promises to future generations that must be kept. And it is a fact that the Social Security Administration untouched will be able to promise payments every year, with COLAs, through 2030. It is a strong system. We can make it stronger, but privatizing Social Security is the wrong way to go.

I urge my colleagues, when Senator GREGG and Republicans come forward with this so-called line-item veto, look closely. Line-item veto is the privatization of Social Security. America rejected it once. We need to reject it again.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, I come to the floor to respond to comments that were made by the chairman of the Budget Committee moments go, that I don't think, if he were to have a chance to review what he said, would be what he intends to convey.

The chairman of the Budget Committee moments ago said that our side did not offer alternatives to the proposal that he was making to get our deficit and debt under control. The Senator knows that is not true. That is not accurate. That is not even close to being accurate.

Let me indicate that I have great respect for the chairman of the Budget Committee. He and I have a very good working relationship, although we disagree on some issues. We have, I have always felt, a respect between us. But for him to say we did not offer an alternative is not true. I think, on reflection, he would acknowledge that is not the case.

In fact, the record of the committee shows very clearly that we offered a comprehensive alternative to the one he was offering. In fact, he said publicly he appreciated the fact that I offered a comprehensive alternative.

Let's get straight, on a factual basis, what occurred in the Budget Committee. Here is the alternative I offered. It is an 11-point plan that involves a fully comprehensive approach to the explosion of deficits and debt. What was our alternative?

No. 1, we restored a strong Senate pay-go rule and statutory pay-go enforced with sequestration.

That is a lot of big words. The basic notion is pay-go. What is pay-go? Pay-go simply says, if you want to have more spending, you have to pay for it. If you want to have more tax cuts, you have to pay for them. This is a discipline we had in the 1990s that worked extremely well. Virtually every budget observer of either side said pay-go was an essential part of restoring budget discipline.

The second part of our proposal was to allow reconciliation—a special fast-track procedure in the Senate—for deficit reduction only. That was the intention of reconciliation when it was put in place. Unfortunately, in the last 5 years, reconciliation has been used not to reduce the deficit but to increase it. That was never the intent of reconciliation, to provide special fast-track procedures, limited debate, limited amendments. That was approved for one reason only, to reduce the deficit. We ought to go back to that plan.

Third, we suggest the budget ought to budget for the war instead of coming forward with these supplemental appropriations bills with tens of billions of dollars not part of the budget. We are over 3 years into this war. The President needs to be budgeting for the war.

Fourth, we reaffirmed the protections for Social Security—they exist in current law—ensuring its off-budget status so Social Security funds aren't pooled with all the other funds to disguise from the American people the seriousness of our fiscal condition. And to prohibit fast-track changes to Social Security—again, special rules that are outside the normal rules of the Senate that could lead to a shredding of Social Security and Medicare with very little debate and with virtually no amendments. I will get into that in a moment.

We also have a ''save Social Security first'' provision in our plan, a 60-vote point of order against any new spending or new tax cuts that increase the deficit until the 75-year Social Security solvency is restored.

We also restore for 2006 the 60-vote point of order against considering tax cuts or new spending or debt limit legislation without a new budget resolution.

It is amazing, but our colleagues on the other side last year put in place new spending caps as part of the plan that the chairman of the committee presented moments ago. Last year they put in place spending caps for 2006, 2007, 2008. Two weeks ago, when we passed the supplemental, they wiped them out. So when the Senator suggests that is the answer to our problems—no, it is not the answer to our problems. No process is the answer to our problems, unless there is the will to actually do the job of reducing deficits and debt. No process is going to solve the problem.

That is made clear by what happened two weeks ago. Again, I say to my colleagues, the Senator comes forward with a whole new package of spending caps—fine. Good. I am for spending caps—but spending caps that are enforceable and real, that aren't waived the next year when they start to pinch. That is what our colleagues on the other side of the aisle did week before last. Now they come with a new package of spending caps and say that's the answer? Wait a minute. Two weeks ago they undid the spending caps they put in place last year. Last year they put in spending caps for 2006, 2007, 2008. Then they come week before last in the supplemental appropriations bill and eliminate them.

Last year they put in place a budget point of order that says you can't have more tax cuts or more spending or more debt if you don't have a budget. Guess what they did two weeks ago—they waived it. They said: Well, we weren't really serious about what we did last year. Forget it.

Forget it. Forget the spending caps we put in place last year. Forget the budget point of order we put in place last year. Forget it.

Now what is their answer? Now they are under pressure in an election year. They come out with this ''stop overspending'' plan that rehashes a bunch of the tired old things that haven't worked in the past and that they paid no attention to when they did put them in place.

We restore that 60-vote point of order they just waived. We also allow Congress to strip earmarks in other items inserted in the conference reports.

There is abuse going on in the Congress, and everybody knows it. Matters that are never considered in the Senate or the House are inserted in the conference committee in the dead of night, behind closed doors, and come out here with a straight up-or-down vote. That shouldn't be permitted.

We require a 48-hour layoff period and a Congressional Budget Office score of conference reports because all too often that has been abused. We are presented with a 600- or 700- or 800-page bill nobody has ever read, and nobody has any idea what is in it. And we are told to vote in a matter of hours. No. We ought to have 48 hours to study what is out here, and we ought to have a CBO score of any legislation that is considered so we know what it costs and so we know what is in it.

In addition, we require the Congressional Budget Office and the Joint Committee on Tax to score longer term revenue and outlays for us to enforce the Byrd Rule for reconciliation and to show fully phased-in 10-year cost of legislation.

Once again, what is happening is colleagues are coming and they are presenting the 5-year cost of something, when they know that right behind the 5-year window the cost explodes. That is true of tax cut proposals and spending proposals. And we need to put a stop to it.

Also, in my proposal we enforce the discretionary spending limits. We enforce spending caps that in conjunction with pay-go have been effective in the past. And we initiate a real bipartisan effort to reduce the deficit with the President and with lawmakers.

Here is the reality. This budget situation has gone totally red. These are the biggest deficits in the history of the country in the last 4 years.

Even more serious than the deficit is the growth of the debt.

Here is what has happened to the debt. After the first year of this President, the debt of the country was $5.8 trillion. The chairman of the Budget Committee told us in committee we wouldn't have a budget this year. There won't be a budget at all.

But if either the budget proposal that cleared the Senate and the separate one that cleared the House were adopted, here is what would happen to the debt by 2011. It would be up to almost $12 trillion. The consequences of all of this are that our debt is exploding and our debt held by foreigners is exploding.

This chart shows that it took 42 Presidents 224 years to run up $1 trillion of our debt held abroad; that is, debt held by foreigners. It took 42 Presidents 224 years to run up more than $1 trillion in U.S. debt held by foreigners.

This President has more than doubled that amount in just 5 years.

This is an utterly unsustainable course. It is why I agreed with part of the chairman's message that we are on an unsustainable course, and we need to address this. But we need to do it in a bipartisan way. That is the great flaw in what the Senator has proposed.

Here is what has happened, a consequence of these massive deficits—both the trade and budget deficits.

We now owe Japan over $600 billion. We owe the Chinese over $300 billion. We even owe Mexico now over $40 billion. Who would have believed it?

What is perhaps most stunning is if you look at the world's biggest borrowers, we are in the No. 1 position by far. In the 1980s, we were the largest creditor nation in the world. More countries owed us money than any other country in the world. We now owe more money than any other country in the world and by a large margin.

If you look at all the money that is available to borrow in the world, we are borrowing about two-thirds of it. We are borrowing 65 percent of the money that is being borrowed by countries around the world. Our country alone is borrowing 65 percent of the money that is available to borrow. The chairman came out. He has a program he calls SOS, ''stop the overspending.'' Who is overspending? His party is in control. His party has had control for 6 years. They control the White House. They control the House, and they control the Senate. There is not one dime of this spending they are not responsible for.

What has happened to spending? Spending has gone up 40 percent while they have had control—a 40-percent increase in spending.

The chairman comes out with this plan. He says stop overspending. But look at it. A big part of this is these spending caps. As I have indicated, they put in spending caps last year, which they threw in the ditch two weeks ago.

They have more budget points of order in their plan. They waived the budget point of orders they put in place last year. They did it week before last.

If you look at that specifics of the proposal the chairman has made, he goes back to the old Gramm-Rudman approach of setting targets. The problem was it didn't work then, and it is unlikely to work now because all of these targets can be gamed. That is what happened under Gramm-Rudman. They gamed them. So they meant nothing.

Here is the dotted red line that shows the first Gramm-Rudman targets. Then they changed them to this dotted red line. But the black line shows what actually happened to the deficit. These deficit targets didn't come within hailing distance of meeting these targets. Why? Because they were gamed just like they have gamed the spending caps that they themselves put in place last year when they started to pinch. They eliminated them.

That is exactly what happened under Gramm-Rudman.

It was gamed, and it meant nothing; the great press releases, the sound and the fury, signifying nothing.

This shows that the 1986 deficit, when they started Gramm-Rudman, was $221 billion. In 1990, the last year of Gramm-Rudman, the deficit was $221 billion. It was supposed to be zero. They made no progress. It didn't work.

The chairman comes out with a package that has Gramm-Rudman all over it again. It doesn't have pay-go; wouldn't want to do that. That worked. So let us go back to something that didn't work and act as though we are doing something when we are doing nothing. The GAO has concluded that Gramm-Rudman was ineffective.

Here is what they said:

> GAO has criticized Gramm-Rudman procedures for leading not to meaningful deficit reduction but rather to a whole generation of off-budget and other misleading practices that hid the true magnitude of the deficit problem.
>
> When even these practices failed to avoid sequestration, the deficit targets were simply revised and the date for achieving a balanced budget was postponed. Thus, instead of the government reaching a balanced budget in FY 1991, the original Gramm-Rudman target, the deficit reached record levels.

I appreciate the chairman's good intentions. I do believe he wants to do something about these deficits and debt. But the package he has come up with is not going to do the job.

That is why we objected. That is why we offered an entire alternative.

Former Senator Hollings, was one of the original architects of Gramm-Rudman, said this:

> Instead of using Gramm-Rudman-Hollings to cut back some $35 billion in spending each year, we were using it as a cover to increase spending $35 billion each and every year. So I said, Give me a divorce from that. I don't want my name connected with it.

The chairman's package also includes a biennial budget. Instead of budgeting every year, budget every 2 years. I guess we are not going to even have a budget this year. So maybe we are on a biennial budget without it even being in the law.

Can you think of any single major organization that just budgets every other year? What a bizarre idea. We are paying little attention to the budget. So the idea from the other side is let us pay even less attention. That is a good idea.

It takes words away from me. To have the idea that because we are not being successful in managing our fiscal affairs, the answer is we only budget every 2 years.

That would simply lead to more supplemental spending.

While the President is calling for a biennial budget, and his budget for 2006–2007 failed to provide a discretionary spending policy beyond the first year.

For the first time since 1989, this President, when he put out his budget, only gave 1 year of detail. Always before they had given 5 years.

Why it makes any sense to go to 2-year budgeting is beyond me.

In addition, they have proposed a line-item veto, even though the Supreme Court said it is unconstitutional. In this package, they come with line-item veto again. But they have done it in a way that requires our colleagues' attention. They have done it with no opportunity to amend or to have extended debate on the proposed line-item veto target.

They also allow the President to cancel new mandatory spending proposals, such as those dealing with Social Security, Medicare, veterans, and agriculture.

That is an extraordinary grant of power.

What if we had a bipartisan agreement to deal with the long-term challenges of Medicare and Social Security, and then the President would be given the power, under this act, to go undo it based on what he wanted to do, forget about the bipartisan negotiations? No, that can't be the way we do business around here. We truly need, on a bipartisan basis, to get together and deal with our massive deficits and debt. We can't engage in a negotiation, a detailed, difficult negotiation and then have the President, on his own authority, be able to undo the very agreements we have reached. What earthly sense does that make? How could we possibly have a negotiation under those terms?

The CBO Director believes the line-item veto was unlikely to greatly affect the bottom line. He said:

> Such tools cannot establish fiscal discipline unless there is a political consensus to do so. In the absence of that consensus, proposed changes are unlikely to greatly affect the budget's bottom line.

He is right. No President needs the line-item veto.

This is from the Roanoke Times in Virginia. They said:

> The President already has the only tool he needs, the veto. That Bush has declined to challenge Congress in 5-plus years is his choice. The White House no doubt sees reviving this debate as means of distracting people from the missteps, miscalculations, mistruths and mistakes that have dogged Bush and sent his approval rating south. The current problems are not systemic. They are ideological. A line-item veto will not magically grant lawmakers and the President fiscal discipline.

They are not alone in that view.

Here is a conservative columnist, George Will, who believes the line-item veto will shift too much power to the executive branch. He said:

> It would aggravate the imbalance in our constitutional system that has been growing for seven decades. The expansion of executive power at the expense of the legislature.

An American Enterprise Institute scholar calls the line- item veto proposal ''shameful.''

> Shameful. The larger reality is this line-item veto proposal gives the President a great additional mischief-making capability, to pluck out items to punish lawmakers he doesn't like, or to threaten individual lawmakers to get votes on other things without having any noticeable impact on budget growth or restraint.

He went on to say this:

> More broadly, it simply shows the lack of institutional integrity and patriotism by the majority in Congress. They have lots of ways to put the responsibility on budget restraint where it belongs, on themselves. Instead, they willingly—even eagerly—try to turn their most basic power over to the President. Shameful. Just shameful.

The chairman of the Budget Committee indicated he has changed his proposal so the Commission on Social Security and Medicare would require a 60-vote majority in the Senate. That is true. His original proposal did not do that. His original proposal had a simple majority being able to pass whatever a commission sent back.

What is wrong with the commission proposal he has left us with? What is wrong is, this proposal comes to us on a fast-track basis. In fact, the way it is designed, you could have a circumstance in which no amendments are permitted. I hope my colleagues are listening. They want to adopt a commission process that would permit the following: The commission, which has a majority of Republicans, says we want to cut Social Security 50 percent, comes up here to the Senate, the majority leader gets recognition, which he has the right to do under Senate rules, puts in an amendment, offers a quorum call, goes into a quorum call for 50 hours, with no amendments, no debate, and at the end of the 50 hours, we vote on the commission proposal. That is at the heart of what is wrong with what the chairman proposed. That is a completely unacceptable procedure.

We are not going to have a circumstance in which the future of Social Security and Medicare could be determined in the Senate under fast-track procedures that deny Senators a chance to amend or debate what comes from an unelected, unaccountable commission. Is that what we have come to in this country? I don't think so. This is not some dictatorship where things come up here and Senators could be precluded from their right to amend or debate. That is the genius of the Senate.

Under the chairman's proposal, that is exactly what could happen. He says no majority leader would ever do that. Maybe not. Maybe what they would do, using that power, is say: There can only be five amendments, or I will use my power to preclude all amendments.

Have we ever seen a majority leader do that? Yes, I have been here. I have seen it.

I say, as one Member, I will never, ever, go along with something that would be so consequential, determine the future of Social Security, the future of Medicare, and set up a circumstance in which no Senator could offer an amendment except the majority leader of the Senate. That looks like not just a fast-track process, that looks like a bum's rush.

The Senator gets a big push back from our side, you bet. He will get a real big push back because we are not going to agree to that. That is radical. That is reckless. We are not going to go along with that. The Senator can say it can never happen, but we all know it could happen.

I respect the chairman of the Committee on the Budget. I like him. We work together well. When he came out here and said we offered no alternatives, that is flatly untrue. We gave a detailed, comprehensive alternative which he praised publicly in the committee. To come to the Senate and say we offered no alternative is just not true. He knows it; I know it. The record shows it.

I am quite certain the Senator was exercised and upset and probably misspoke. I hope he corrects the record on this question. It cannot stand. It does not enhance this discussion or debate for either side to say things that are not accurate. He is upset that some of our side apparently said the commission proposal would come up here on a simple majority. That was his initial proposal. Under my criticism of that approach, he did alter that. But he still left us with a fast-track process that could preclude amendments and debate on something as fundamental as the future of Social Security and Medicare. That is just not acceptable.

The PRESIDING OFFICER. The Senator from Colorado.

## ENERGY

Mr. SALAZAR. Madam President, let me first say my colleague from North Dakota does an incredible job in terms of leading our country with a voice that stands for fiscal discipline. When he talks about the mountain of debt that we are continuing to build in this country, and passing on that mountain of debt to our children and our grandchildren, the American people deserve more of this Congress and more of Washington, DC, and more of this President. I look forward to his continuing leadership on this issue to try and bring about fiscal integrity and fiscal honesty to the United States of America. The American people deserve no less than that kind of candor and integrity from the Senate.

I rise today to talk about an urgent issue which we all ought to be very concerned about in the United States of America. That is the issue of energy. Last year, this Senate put together a bipartisan template on the National Energy Policy Act of 2005 which may go down in our history as being one of the most important achievements of the 109th Congress. Notwithstanding

the fact that we put together energy legislation that did some great things for conservation, that stood out for renewable energy, that said that new technologies were part of how we could lock in the future of our Nation's energy independence, we have had many opportunities to move forward and to continue to address the issue of energy. Yet we have not done that as a Congress nor as a Senate.

Six months of this year have already passed. It has been 5 months since the President of the United States, before the American people, said that we were addicted to foreign oil and we needed to take aggressive steps to move forward to get ourselves to energy independence.

I had the honor of hosting the President at the National Renewable Energy Lab in Golden, CO, and we looked at the possibility of renewable energy. Yet some 6 months after that January speech, we still are here in this Senate without having moved forward with any significant kind of energy legislation. That is wrong. Part of the people's business, the highest priority, is for us to look at this energy dilemma we are facing in this country and to embrace in a real, honest, and ethical way the imperative that moves us toward energy independence.

I will address part of what I think we ought to be doing with our movement toward energy independence in our country today. The time to get serious about growing our way to energy independence is long overdue. If Brazil, a Third World country, can do it, it is inexcusable for the United States of America, the strongest Nation on Earth, to do otherwise.

Today in Brazil, ethanol substitutes for 204,000 barrels of gasoline sold every day. Over 40 percent of all the gasoline that is sold nationally in Brazil comes from ethanol, making that country energy independent today.

In the last couple of months, we have had a lot of ideas discussed in this Senate and through multiple press conferences about how we can ease the pain at the pump for the American consumers. We have heard ideas to give $100 tax rebates. We heard ideas to create a tax holiday for gas, to enact a Federal gas price-gouging statute, to reduce the number of fuels that are currently on the market, to end royalty relief, and on and on. There are lots of ideas talked about that we should give careful consideration.

We should also talk straight to the American people. We are a nation that relies on oil to power our economy. We import almost 60 percent of our oil from countries such as Saudi Arabia, Nigeria, Iraq, and Venezuela. We are hostage to a cartel of oil-producing countries that decide how much oil will reach the market at any given moment. Many Members of this cartel are unfriendly to the United States. They know how much power their oil has over our national security.

The bottom line is that energy independence is important to all of us in the 21st century if we are to achieve national security.

Without a reliable and affordable supply of homegrown energy, our dependence on foreign oil will only continue to increase, further warping our foreign policy and jeopardizing the stability of our economy. If we continue at our current pace, in two decades we will be importing 70 percent of our oil from foreign countries. We cannot afford to stay that course on our energy policy.

Expanding our domestic production of oil and gas is an important component in our Nation's movement toward energy independence. We should continue to encourage the balanced development of the resources that we have. We should accelerate our development of clean coal technologies to produce clean-burning synfuel gases and jet fuels from coal, an abundant domestic resource. But none of the rhetoric can change the fact that we just don't have enough petroleum resources in this country to drill our way to energy independence.

Today, we are the world's third leading producer of oil, but our rate of oil consumption—primarily for transportation—is almost three times our rate of oil production. Furthermore, the sad truth is that we only have 3 percent of the world's reserves in the United States of America. That 3 percent includes the proven reserves in the State of Alaska.

We ought to look at our renewable energy future. If we make a dramatic, perhaps even a revolutionary new commitment to renewable energy, the fuel grown in American fields can help power our vehicle fleet. With a bold new commitment, we can produce enough fuel on our farm lands and ranch lands to meet 25 percent of our energy needs by the year 2025.

Farmers and ranchers and all of rural America are rallying behind this cry for a goal of ''25 by 25.'' Our farmers are growing corn, soybeans, and sunflowers to be used for ethanol and biodiesel. Ranchers are building windfarms and using animal manure for power. Rural business men and women are investing in biorefineries. New jobs are springing up in many places where they had no jobs. Rural economies, long forgotten, are starting to gather steam as part of the renewable energy chapter opens in America.

It is time for Congress as a whole to embrace rural America's vision for this renewable energy future. Senator CHUCK GRASSLEY and I have introduced a resolution that would make ''25 by 25'' our national goal.

I urge my colleagues to cosponsor this resolution because producing 25 percent of our energy on agricultural lands by 2025 is, in fact, a fully achievable goal. We can do it. We can do it if we get on task and we make a bipartisan commitment to work toward this goal. We should begin on this goal immediately.

First, we should raise the renewable fuel standards we set in last year's Energy Policy Act. That goal, in law today, is to produce 7.5 billion gallons of renewable fuels by 2012. That goal is far too modest. We will easily meet this goal under current policies. Yet we will not be putting enough renewable fuels on the market to give consumers a real choice or to make a real dent in our oil dependence on foreign countries. We should increase this target so we are producing 9 billion gallons of renewable fuel by 2012 and 30 billion gallons of renewable fuel by the year 2025.

Second, we should extend the renewable energy production tax credit until 2012. The existing production tax credit is now set to expire in 2007. That creates uncertainty for business people and investors who want to invest in renewable energy.

We have legislation that I have introduced, S. 1093, the Research and Development Investment Act, which extends the renewable energy production tax credits through 2012, allowing more investment and quicker growth in the renewable energy market.

Next, we should pass S. 2025, the Vehicle and Fuel Choices for American Security Act. This is an important piece of legislation with broad bipartisan support. S. 2025 will essentially do three simple but very important conceptual things.

First, it will increase the amount of biofuels we currently are producing in America. Second, it will ensure there are filling stations that are available across the country that will provide alternative fuels to give that choice to the American consumer. And, third, it will also help transform Detroit to embrace alternative fuel vehicle systems.

Right now, the United States consumes around 20 million barrels of oil every day. Twenty million barrels of oil every day are consumed in America. Two-thirds of those 20 million barrels a day are consumed in our transportation system—by our cars and our trucks—across this country. This is alarming: The massive amount of oil we are importing is barley enough to cover the needs of the transportation sector.

S. 2025 tackles this problem head on. It brings more gallons of biofuels to the market. It gives consumers access to alternative fuels. It retools America's vehicle fleet to run more efficiently and to run on alternative fuels. By passing S. 2025, we will give consumers more choices of fuels and vehicles, lower and stabilize the cost of fuel, and reduce our reliance on foreign oil.

This is not a Republican or Democratic agenda. This is an American agenda. And this American agenda toward energy independence is demonstrated by the group of Senators who are supporting S. 2025. They include Senator BROWNBACK, Senator BAYH, Senator GRAHAM, Senator CANTWELL, Senator LIEBERMAN, Senator COLEMAN, Senator DODD, Senator BILL NELSON, Senator ISAKSON, Senator KOHL, Senator LUGAR, Senator OBAMA, Senator

SESSIONS, Senator CLINTON, Senator CHAFEE, and others. We think this bill is effective, and we would hope the Senate can move forward and embrace this bill and pass it so the President can sign it yet this year.

What S. 2025 does, in more detail, is it is aggressive in encouraging the increased production of biofuels. It provides loan guarantees to farmer-owned ethanol producers, to help them make investments in renewable energy systems and infrastructure. It also increases the ethanol infrastructure tax credit that we passed last summer in the Energy Policy Act so that credit is set at 50 percent. This will lower the startup costs for farmers and communities and businesspeople who want to build a biorefinery or a processing plant.

These producers will benefit from the bill's investments in biofuels research. By doubling the funding for biofuels research, S. 2025 will improve yields and efficiencies and expand the range of feedstocks that can be used for biofuels production.

Secondly, S. 2025 helps reduce our foreign oil dependency by giving consumers access to alternative fuels at filling stations. Currently, in the United States, we have 5 million flexible fuel vehicles. These vehicles can run on either gasoline or E–85, an 85-percent ethanol-gasoline mix. We today are adding about 1.5 million of these flex-fuel vehicles to our national fleet every year. The trouble is, as you well know, there are only 485 filling stations in the country that carry E–85. There are only 485 filling stations today in the country that carry E–85. We have the technology on the road that allows cars to run on biofuels, but because consumers cannot pump E–85 fuel at their local filling station, we are not taking full advantage of the oil-saving rewards of the flex-fuel technology, which is now being deployed into our national fleet.

S. 2025 would solve this problem. It would solve this problem by helping to build the pumps and filling station infrastructure needed to deliver biofuels to consumers. The bill provides loan guarantees and tax incentives to farmers and business owners for the construction of pump stations to dispense fuels. It also uses CAFE penalties that have already been collected by the Government from foreign manufacturers to expand funding for grants to finance alternative fueling infrastructure.

One of the DOE grantees from this year alone, the National Ethanol Vehicle Coalition, will be able to build 300 stations with its $2 million grant. With at least 10 times the amount of that funding available, we should be able to equip at least 3,000 filling stations across America with the infrastructure that delivers biofuels to consumers who are in search for these alternative fuels.

The economic benefits of giving these fuel choices to consumers are clear. If consumers can rely on filling their tank with E–85 fuel wherever they go, demand for the fuel and demand for cars that run on E–85 will increase dramatically, cutting demand for petroleum-based fuel. Not only will this help us deal with gas prices, but it will also stabilize them. We can count on our farmers to harvest their crops, but we cannot count—we cannot count—on Iran or the Middle East to sell us their oil.

Finally, S. 2025 will help us retool our national vehicle fleet. S. 2025 sets goals for improving the efficiency of our vehicle fleet and for getting more advanced vehicles on the road. It sets these goals and then helps manufacturers retool their vehicle fleets to meet them.

The bill sets targets for manufacturers to produce alternative fuel vehicles, plug-in hybrids, fuel cell vehicles, flexible-fuel vehicles, and other technologies which can run on regular gasoline or biofuel alternatives. By 2012, 1 in 10 vehicles produced will be advanced vehicles. By 2016, 1 in 2 vehicles produced will be advanced vehicles that can run on these alternative fuels or these advanced technologies.

We will help manufacturers make these changes to their fleets. The bill establishes a tax credit for the costs the manufacturers incur when they are retooling or expanding their facilities to produce advanced vehicles. The bill also authorizes support for research that will provide lightweight materials to the auto industry and for technology for electric drive trains, batteries, and plug-in hybrids.

The bill closes the SUV tax loophole, limits idling by buses, and requires that fuel economy standards be set for heavy duty vehicles so we can stop burning fuel we do not need to burn. For each 1 mile per gallon efficiency we find in this country, we save 1 million barrels of oil per day, or $20 billion a year.

These are sensible, easy-to-implement solutions. Many of them, many of these ideas, have now been included in two bills that Senator BINGAMAN, Senator CHAFEE, Senator LIEBERMAN, Senator COLEMAN, Senator CANTWELL, and I and others have introduced. These are the Enhanced Energy Security Act of 2006, which will push the Federal Government to save 2.5 million barrels of oil per day by 2016, and at least 10 million barrels per day by 2031, and the new energy tax bill, which provides multiple incentives to manufacturers, businesses, and consumers alike to utilize energy-efficient programs and alternatives themselves.

The provisions of S. 2025 and the energy tax bill will give consumers more choices at the pump and reduce our dependence on foreign oil.

Each of us should be asking: What if we do nothing? What if we do nothing? What if we continue our malignant neglect of the long-term energy policy of the United States of America? If we do continue this malignant neglect, we will become increasingly vulnerable to the instabilities and whims of countries across the globe. The American consumer will continue to suffer, and the American economy will have lost an opportunity that has come its way.

We have devoted a lot of time to many issues over the last 6 months of this year in this Congress. We have not devoted enough time on this floor to the issue of energy and of energy independence. We need to do so because to do otherwise is to neglect the national security of the United States.

When you have a system that starts to break down, you have to address the cause as well as the symptoms of the problem. If your roof keeps springing leaks, you don't just put more and more buckets out. What you do is you eventually build yourself a new roof. We need to build a new energy policy in America, one that is built on the promise of renewable energy, technology, and conservation.

I believe Americans are eager for us as a Senate to do this. In States across the country, people are enacting renewable portfolio standards and demanding access to alternative energies. They imagine a renewable energy future that harnesses the business and work ethic of rural America and which breathes new life into sagging rural economies. They look at fields of corn, soy, and sunflowers and see the raw materials for biodiesel and for ethanol.

The renewable energy revolution is already underway in America thanks to farmers and ranchers and businesspeople who have been leading it, who have been doing their part. We now, as a Congress, need to do our part to push the renewable energy revolution forward.

I urge our Senate, in a bipartisan fashion, following the template of last year's national Energy Policy Act, to move forward to secure America's renewable energy future by making ''25 by 25'' our national goal.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THUNE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## ATTACK ON PAN AM FLIGHT 103 AND LIBYA

Mr. MENENDEZ. Mr. President, I rise to speak about an issue of great importance to the State of New Jersey, to the United States of America, and to all of those who stand against acts of terrorism and violence: the attack on Pan Am flight 103.

The attack on Pan Am flight 103 shocked the world and claimed the lives of 189 Americans, including 38 citizens from my home State of New Jersey.

After these terrible attacks, and significant pressure from the international community, the Libyan Government finally agreed to pay $10 million to the families of those who were murdered.

The Libyan Government still owes $2 million to these families, which it promised to pay as soon as it was removed from the state sponsor of terror list, an action the State Department announced on May 15. The 45-day waiting period ended today, and the Libyans will be off the list. But we cannot allow them to be off the hook.

Libya, according to a Washington Post article, declared yesterday that it no longer has a legal obligation to make the final payment of $2 million to the families of those killed. Libya is trying to argue that it doesn't have to pay this money because they were ''supposed'' to be taken off the terror list earlier. But what Libya forgets is that it had to earn the right to get off the terror list and that Libya's own actions are what delayed the process. In fact, the reason the process was delayed is because we discovered that the Libyans had been plotting to kill a member of the Saudi royal family, among other incidents.

Why should American families be deprived of their payment because of Libya's mistakes? Libya's argument is not only factually incorrect, it is immoral. At a time when we are fighting terrorism around the world, at a time when our men and women in uniform are putting their lives on the line to protect us from terrorists, at a time when we should send a message to the world that terrorism and the murder of U.S. citizens cannot be tolerated, we cannot allow the Libyans to get away with at least paying these grieving families that which they are owed. This money is not going to bring back their loved ones. It is not going to heal the pain. But it is an obligation that should be met.

Let me be clear: This money in no way absolves Libya of its actions in this incident. This money in no way will replace those who were murdered. This money in no way makes up for the loss, pain, and suffering of the families. But a promise made should be a promise kept, and Libya must keep its promise, period.

I hope the Libyans hear this message loudly and clearly. I also hope the administration hears the message loudly and clearly. Our State Department should be advocating for American families, not for facilitating the Libyans in breaking their commitment. We should not allow any implementation of diplomatic engagement until the Libyans honor their commitment.

I promise that, along with a number of other Members of Congress who represent families from different parts of the Nation who lost a loved one on Pan Am Flight 103, we will not rest until this payment is made, until the Libyans fulfill their promise. A promise made must be a promise kept. It is outrageous for the Libyans to act any other way. It would be equally as outrageous for our Government to act in any other way other than to make sure that we help these families in having this commitment honored.

I thank the senior Senator from New Jersey, Mr. LAUTENBERG, who has been a leader on the Pan Am Flight 103 attacks from the beginning, continuing to fight for the citizens of New Jersey and all of the other families who suffered in these terrible attacks. I am proud to join him, now that I am in the Senate, in this effort. I am committed to making sure that these families ultimately receive the commitment and the fulfillment of that commitment that the Libyan Government made. Our Government should ensure that we do no less.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## UNANIMOUS-CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. DEMINT. Mr. President, I ask unanimous consent that at 2:20 p.m. today, the Senate proceed to executive session for the consideration of the nomination of Henry Paulson to be Secretary of the Treasury.

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

## HONORING THE 230TH ''CAROLINA DAY''

Mr. DEMINT. Mr. President, June 28 is a great day in the history of my State of South Carolina and in the formation of our great Nation. You see, it is on this date that we celebrate Carolina Day.

Two hundred and thirty years ago today, a small but determined group of fewer than 1,200 South Carolina patriots held off a British force that was more than twice their size.

The battle—which took place on Sullivan's Island, just outside the entrance to Charleston Harbor—became the first major American victory of the Revolutionary War.

Colonel William Moultrie, who commanded the colonist troops, had few resources at his disposal. So, he built a fort out of palmetto logs—a plentiful local resource.

Facing such make-shift opposition, the British commanders thought they would easily sweep into Charleston.

But these amazing palmetto logs actually absorbed the impact of the British cannonballs. This strengthened the American defense and gave the brave colonists a critical advantage.

The British were soundly defeated in a long, nine-hour battle. More than 200 of the British were killed or wounded, compared to only 35 of Colonel Moultrie's command.

Many historians consider this battle to be one of the greatest defeats in the entire history of the British navy.

Many South Carolina heroes were made on that day.

One such, hero, Sergeant William Jasper, is recognized for saving the regiment's flag after it was shot down by British fire. Seeing that it had been hit, Jasper exclaimed, ''Colonel, don't let us fight without our flag!''

Sergeant Jasper then jumped into the face of enemy fire, walked the entire length of the fort—in full view of the British and cut the flag from its broken pole. He then added a new staff and replanted the flag back on the fort wall. Turning to the enemy, he gave three cheers and returned to his gun.

That flag—a blue banner with a white crescent—represented the dream of real freedom to these patriots. And today, that historic banner still serves as a source of pride and inspiration, as part of South Carolina's official State seal.

The blue background and white crescent also serve as the basis of our beautiful State flag, which incorporates a tall, proud palmetto tree . . . in recognition of the heroes of Fort Moultrie.

The resounding American defense of the City of Charleston at Fort Moultrie gave our fledgling Nation hope in the possibility of ultimate victory. And less than one week later—on July 4, 1776—the Continental Congress forever changed the course of history, signing our Declaration of Independence.

This story has profound relevance to what we face today as we fight the global war on terror. I can imagine those great patriots felt the same kind of joy that is plainly visible in the eyes of Iraqi citizens . . . people who are only now beginning to share in the sweet taste of freedoms that we so often take for granted.

Mr. President, as we celebrate Independence Day with friends and family, may we always remember the price that was paid for our freedom.

And may we resolve that the sacrifice of our brave soldiers across the years—from Fort Moultrie, SC, to Kirkuk, Iraq—will never have been in vain.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

## STEM CELL RESEARCH

Mr. HARKIN. Mr. President, here we sit in the Senate, quorum call after quorum call. Not much is happening. We just had our meeting of Democratic

leaders for lunch, and we are wondering what is going on here. Here we sit. Nothing is happening.

Over a year ago, the House of Representatives voted on and passed H.R. 810, the Stem Cell Research Act, and sent it over to the Senate. It is pending at the desk. That was over a year ago.

We have asked repeatedly—repeatedly—for the majority leader to bring up this bill so that we can debate it—I am sure under a time agreement—and pass it and send it to the President. The bill is supported by a majority of Senators on a bipartisan basis. It enjoys large majorities in every public opinion poll, which is hardly surprising because stem cell research holds tremendous promise for curing illnesses and saving lives.

One obstacle stands in the way of moving ahead aggressively in stem cell research. The Senate has squandered over a year waiting for the majority leader to make good on his pledge to bring H.R. 810 to the floor for a vote. So here we sit.

Why aren't we bringing up H.R. 810? Families with children with juvenile diabetes, families with members who are stricken by Alzheimer's, people with spinal cord injuries either from birth or from an accident or other illnesses, and people with other neurological disorders and diseases—these are the ones scientists tell us can be helped the most and the fastest through the application of stem cell therapy, which would be the result of stem cell research.

We just had a Health Week here, too. We had a Health Week about a month ago, and we didn't bring up H.R. 810 then. Everybody talked a lot about everything, but we didn't do anything.

The fact is, I said H.R. 810 has support on both sides. I just mention that Senators SPECTER, HATCH, and SMITH in particular have urged the majority leader to bring up the bill. As a matter of fact, last year, Senator FRIST himself gave a speech on the floor and endorsed H.R. 810. But again the majority leader has refused to bring it up for a vote.

We have written him letters. I have taken the floor numerous times, especially in lulls such as this when nothing is happening. It looks as if we will go all through today and tomorrow and, of course, then we won't be here on Friday. No wonder the American people have such a low opinion of this place. No wonder. They don't think we are doing anything, and they are right, we are not doing anything. Especially we are not attending to the urgent business of the American people.

People are suffering from incurable illnesses. People are hoping we will move ahead aggressively in embryonic stem cell research and in all areas of stem cell research, but we still sit here and dawdle, take our time, and don't do anything.

I don't mean to make it a partisan issue because it has never been a partisan issue. As I said, we have a number of Republicans supporting this bill in this body, and it was passed in the House with both Republican and Democratic support. I will say this: If the Democrats were in charge of this Senate, we would have had H.R. 810 up by now and would have passed it and would have sent it to the President.

Mr. LAUTENBERG. Mr. President, will the Senator from Iowa yield for a question?

Mr. HARKIN. Yes.

Mr. LAUTENBERG. Is the Senator from Iowa aware of the fact that we have come up with a terrific product, that science has discovered a vaccine which will prevent cervical cancer?

Mr. HARKIN. That is right.

Mr. LAUTENBERG. Mr. President, taking this vaccine can reduce cervical cancer deaths by 70 percent—70 percent. In America, we lose about 4,000 women a year to cervical cancer. Across the world, the numbers are over 230,000 annually. Is the Senator from Iowa aware that there are detractors? The Senator is certainly aware, as he discusses stem cell research and conditions that are so painful for families, such as juvenile diabetes and other autoimmune diseases, that not enough money is going into these programs. But in this case, the chance to stop cervical cancer from killing women has detractors out there who say: If we do that, we will encourage promiscuity. Did you ever hear anything so silly in your life? It is the same as saying: If you give seatbelts to people, they are going to drive more recklessly. It just doesn't make sense.

So if the Senator is aware of these things, they will, I am sure, add interest and fervor to his appeal to get on with finding out what is killing people.

Mr. HARKIN. Mr. President, I would respond by saying that if anybody knows about saving lives and providing good health to people in America, it is the Senator from New Jersey, Mr. LAUTENBERG.

I was privileged to be here when the Senator got his amendment through to ban smoking on airlines. I remember the day you got on an airplane and it was packed with smoke. Then they had a divider, and in one place you could smoke and in another place you couldn't, and still the air would be filled with smoke. It was the Senator from New Jersey—God bless him—who got that amendment through. I will never forget, right after that amendment passed, I used to fly back and forth to Iowa, and flight stewardess after flight stewardess would come back to me and say: Do you know Senator LAUTENBERG? And I would say: Sure, I do. And they would say: Well, please tell him thanks. We have been breathing that smoke for years, and now we don't have to. So I thank the Senator for the countless lives he has saved and the working conditions he has made better for all of the people, and all of the passengers who fly on airplanes have the Senator to thank for that.

So when the Senator from New Jersey talks about the vaccine for cervical cancer, he is right on the mark, and he keeps up his long tradition of his focus on health care for all Americans. It is a shame that we have a vaccine which could be given to women, young women—as you know, I think it is three shots, if I am not mistaken, and I think it is good for life.

Mr. LAUTENBERG. For a lifetime.

Mr. HARKIN. So you could take it as a young girl. And what are we doing right now? Nothing. We should be moving ahead aggressively in this country and in other countries where cervical cancer is a killer. As the Senator knows, it is a killer. Yet we are not doing anything. We sit here doing nothing. It is in that spirit which I thank the Senator for bringing that up. I yield to him.

Mr. LAUTENBERG. Mr. President, the Senator may be aware that I recently sent a letter to the Centers for Disease Control saying: ''Get on with it. Get the vaccine out there. And don't let opponents stand in the way. You are responsible. The product has passed all the tests. It is considered safe and effective.'' So I sent this letter, and another one to the Food and Drug Administration. I don't know whether the Senator is aware of these letters, but I am sure that, knowing his disposition about these things, that he would want to join in this effort and say: '' CDC, don't you dare hold back on this information. Don't you dare.'' Right?

Mr. HARKIN. Mr. President, I say to my friend, sign me up.

Mr. LAUTENBERG. We will do that. I would like to thank the Senator for the compliment on the smoking prohibition in airplanes. It has finally penetrated, after almost 20 years now, into homes, into restaurants, into places where smoking just isn't an acceptable habit anymore. Today's papers have stories about how dangerous secondhand smoke is; you don't have to smoke the cigarette yourself, you just need to be near someone who is. I am sure the Senator is aware of the fact that breathing other people's smoke can be as dangerous to your health as if you engaged in smoking yourself.

What a coincidence it is that as we have been talking about the no smoking in airplanes, our colleague from the State of Illinois, Senator DURBIN, has joined us on the floor. At the time, he was the House author of the ban and I was the Senate author, so the two of us together were able to put that legislation into effect.

Returning to the vaccine, is the Senator aware of the fact that there are detractors out there who, even if you get the good product, will stand in the way of it being made readily available to people who need it?

Mr. HARKIN. Mr. President, I appreciate that. The fact is, yes, I think it is sick. There is some illness people have when they say we shouldn't be giving cervical cancer vaccinations to women because they may become more promiscuous. What kind of sick thought is

that? What kind of sick thought is that? But we hear it. It is out there. It is the same as those who are trying to stop embryonic stem cell research: Oh, no, we can't destroy these embryos. Well, we had a hearing yesterday morning on this issue. The Senator from Pennsylvania, Mr. SANTORUM, has a bill in, and he testified before Senator SPECTER and me and Senator DURBIN from Illinois, who was also there for that hearing. I think what came out of that hearing is we have over 400,000 embryos left over from in vitro fertilization which are now frozen which are going to be discarded because obviously the parents who had in vitro fertilization—once they have had their children and they don't want to have any more, the in vitro fertilization organization calls up and says: Do you want to keep these? And they say: Well, no, we don't want to have any more children. And so they throw them away. They do this every day. They destroy these every day.

What we are saying is, why not take these things with about 16 cells in them and take the cells out and use them to derive embryonic stem cells, which can become any of the cells in our body—nerve cells, muscle cells, tissue cells—and use them to advance the research so that we can cure those illnesses from which so many people suffer?

Mr. DURBIN. Would the Senator yield for a question?

Mr. HARKIN. I will. Let me just say that a friend of mine recently passed away from ALS—Lou Gehrig's disease. If anyone has seen anyone get Lou Gehrig's disease and die of it, it is the worst. It is the worst. It is a death sentence as soon as you are told you have it, as soon as you are diagnosed with it. No one lives, and usually death occurs within a year to 2 years. As your muscles deteriorate and your lungs give out and you are no longer able to walk, to write, to speak, the mind continues on. You are aware of every second until the day, the minute you die. ALS—one of the most horrible diseases which afflicts mankind, humankind, and the scientists tell us one of the diseases which is in the target zone for embryonic stem cell research. Think about that. Yet we are told it is better to throw these away, take these in vitro fertilization leftover cells, throw them down the drain, but don't use them for life-giving research. I say to my friend from New Jersey, it is the same as those who want to stop women from getting vaccinations for cervical cancer because they think that, somehow, women will be more sexually promiscuous because of it. I don't understand that way of thinking.

I yield to my friend from Illinois who was at the hearing yesterday for any comments he would like to make.

Mr. DURBIN. Mr. President, I would ask the Senators who are engaging in this colloquy, through the Chair—it is also curious to note that while we are taking this moral position against certain vaccinations against cervical cancer, if I am not mistaken, we are also financing Viagra products for some men through some of our same programs. A little hard to follow that logic.

But I would ask the Senator from Iowa or the Senator from New Jersey to make it clear on the embryonic stem cell situation: Were it not for President Bush's Executive order limiting Federal research with embryonic stem cells, we would be dramatically expanding research into diabetes, Parkinson's, Alzheimer's, Lou Gehrig's disease, spinal cord regeneration, and a multitude of areas where we clearly need breakthroughs in research?

Mr. HARKIN. Yes.

Mr. DURBIN. Is it not also a fact that the bill which passed the House of Representatives which has been sitting on the calendar in the Senate, our calendar of business, for 1 full year while people are suffering from these problems, is it not also true that in this bill, we are very clear: no human cloning. That is not a part of this, correct?

Mr. HARKIN. Right.

Mr. DURBIN. It includes ethical guidelines which will not allow the commercialization of these stem cells: you can't sell them, and you cannot direct them. You cannot say: The leftover embryonic stem cells from my wife and myself are going to go to my Uncle Charlie. You can't do that. So we have established strict ethical guidelines of commercialization, direction of the cells, no human cloning. Yet the bill has sat on the calendar for a year, despite the fact that the Republican majority leader of the Senate has promised us for a year he would call up the bill. For a year, people with these diseases have been waiting patiently.

Perhaps I can put my finger on the problem. I ask the Senator from Iowa, would we have a better chance calling the embryonic stem cell issue to the floor if we made it a constitutional amendment? It appears those are very popular. We just did two of those in the last few weeks.

If we could make this a constitutional amendment, would we have a better chance with the Republican majority?

Mr. LAUTENBERG. Mr. President, if I may interject one point: is the Senator also aware, as the question of the Senator from Illinois is reviewed, that if we weren't busy giving tax breaks to the very wealthiest among us, to people who don't need the tax breaks and often don't even want them, we would have the funding necessary to do research on all kinds of things? The National Cancer Institute doesn't get the kind of money it deserves in terms of the positive effect it could have on our lives and on the financial condition in this country. The National Institutes of Health don't get the kind of funding they need. We see someone like Warren Buffett stand up and say that he is going to give nearly $40 billion away. That shows you what happens if you work hard in this country. It just shows you. But the administration and the other side want to give Warren Buffett more money. They want to give him more than he has, when he's busy giving it away. They want to give more to Bill Gates, who also is one of our more ennobling figures in this country. Is the Senator aware these are resources which could be used far better elsewhere?

Mr. HARKIN. Mr. President, I am aware, I say to my friend from New Jersey. In fact, under the President's budget this year, as we are now giving more and more tax breaks to the wealthy, there is a cut in funding for the National Cancer Institute. For the first time in my career, since I have been here, we are actually cutting funding under the President's budget for the National Cancer Institute. Now, we here are going to try to put that money back in sometime this year, but I am just saying that the President's budget, what he sent to us, cuts money from the National Cancer Institute.

I say to my friend from Illinois, he is right on target. On August 9, 2001, President Bush got on television, national television—I remember watching him—and it was shortly after 9 p.m., and he made this executive finding that stem cells derived by our Federal researchers prior to 9 p.m. on August 9, 2001, were OK. We could use those for research. That was OK. That was ethical, moral, legitimate. But any stem cells derived after 9 p.m. on August 9 of 2001 were not ethical; they were immoral, not legitimate, and could not be funded by the Federal Government.

I thought about that. I thought, why did he pick 9 p.m.? Why didn't he pick 9:15? Why wasn't it 10 p.m.? Or 8:52? Why 9? It was just plucked out of thin air. It seems to me if it was wrong before, it was wrong after. Or if it was correct and good before, it was correct and good after 9 p.m. It was totally arbitrary.

I say to my friend from Illinois, the other thing we found out is, out of these so-called 75 lines which supposedly we had—which we thought at the time we had enough—it is now down to 21 cell lines. And here is the kicker: Every single one of those cell lines that were derived have been contaminated with mouse cells. They have been grown on mouse feeder cells, so not one of them will probably ever be useful for human therapy. Not a one of them.

The Senator from Illinois is absolutely correct. If it had not been for President Bush's announcement on August 9, 2001, right after 9 p.m.—if it had not been for that, we would have had 5 more years, that have now gone by, of good science, good research under the ethical kinds of guidelines, as the Senator from Illinois just outlined. And we would be much further down the road toward saying to those families with diabetes, kids with juvenile diabetes,

people who have ALS, Parkinson's disease, Alzheimer's—we would be closer to saying hope is there because we are doing the research and we are going to find the cures. It will not happen unless and until we get over that Presidential proclamation of August 9, 2001.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, first, I want to say to our friend from Iowa how much we appreciate his diligence in promoting better health in this country, and more opportunities for all Americans. I think, for instance, of his work on the Americans with Disabilities Act. Because of that bill, people who have a disability and weren't able to get around as easily as some others, now have access to so many more places. We are so grateful to the Senator from Iowa for his work on that landmark legislation.

## LIBYA

Mr. LAUTENBERG. Mr. President, today the Bush administration is taking an action that is almost incomprehensible. Frankly, it is outrageous, when you think about it. The administration is removing Libya from the State Department's list of state sponsors of terror even though Muammar Qadhafi has not fulfilled his commitments to the American victims of Libyan terror. Even though Qadhafi is not keeping his promise to Americans who lost loved ones when agents of his government bombed Pan Am flight 103, the administration is going to give Libya full diplomatic privileges.

The President is taking this action even though this Senate recently passed my resolution which said that diplomatic credentials should not be given to Libya until Qadhafi provides all of the restitution promised to the families of the victims of the Pan Am Flight 103 bombing and other acts of terror supported by Libya. I know a lot of those families, families from New Jersey and in the area generally, who lost loved ones on that flight. Many of the victims were young college students from Syracuse University. I have a nephew who went there. He was to take that trip but at the last minute had to change his plans. He lost several very good friends.

I have been to Lockerbie, Scotland, and know too well what happened that fateful day when 270 people were killed, with the airplane and human remains falling onto that beautiful little community, Lockerbie, in Scotland. I have seen the remnants, the souvenirs that the victims had bought on that trip that was during the Christmas period. I saw Mickey Mouse hats and things that college kids enjoy. Even bottles of wine that survived were then put in a warehouse of things that were collected on the ground but could not be assigned to any single family because they didn't have any sort of identification attached to them.

It was a sad moment for mankind, for sanity in our world. Libya ultimately was convicted of providing the resources for those terrorists who brought that airplane down. Libya has not paid all of the claims that were awarded to the families of the victims; Libya has not paid the last installment of compensation due as a condition of being removed from the list of state sponsors of terror. That was the agreement. That was the understanding.

No matter how many years pass, these families will never forget their loss, their grief; neither will anyone who knows these families, who knows the pain visited upon these people when they heard that their son or daughter was killed in the downing of that airplane.

If Libya has indeed renounced terrorism, that is great news, as is the fact that Libya, which was thought to be engaged in the development of weapons of mass destruction, has agreed to stop that pursuit. Still, the Libyan government has an obligation it agreed to meet so that it could rejoin the community of nations, to achieve a level of acceptance around the world. Their past behavior cannot be excused. They murdered Americans and they must be held fully accountable.

Today, the Bush administration has rejected accountability for Libya. Today, the administration has put other interests ahead of the interests of the American victims of terrorism. What are those interests that prevailed in the end? We will let the investigative journals figure that one out.

But when leaders of our country say ''we must never forget the lessons'' of acts of terrorism, I think they should mean it. Libya should fulfill its promise, its commitment to the families of the victims of Pan Am 103 and not let that commitment be forgotten because part of it has been fulfilled but not all of it. We must not forget that Libya has failed to comply entirely with the basic promise to those families.

We urge the President and the administration to hold fast and insist that Libya pay its bills. The money will never compensate these families for the loss of their child, brother or sister, father or mother—never. But at least it shows that Libya is serious about honoring it commitments, something that is essential before it can achieve anything approximating the status of nations that follow the rule of law. So we must insist on that.

I yield the floor.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

## COAST GUARD AND MARITIME TRANSPORTATION ACT OF 2006—CONFERENCE REPORT

The PRESIDING OFFICER. Pursuant to the order of June 22, 2006, the Senate receives a message from the House. The House concurs in S. Con. Res. 103, and having received the conference report on H.R. 889 from the House, the conference report is agreed to and the motion to reconsider is laid upon the table.

(The conference report is printed in the House proceedings of the RECORD on April 6, 2006.)

## EXECUTIVE SESSION

## NOMINATION OF HENRY M. PAULSON, JR., TO BE SECRETARY OF THE TREASURY

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to executive session to consider the following nomination, which the clerk will report.

The assistant legislative clerk read the nomination of Henry M. Paulson, Jr., of New York, to be Secretary of the Treasury.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I hope before the day is out that we are able to help a very good American citizen by the name of Henry Paulson to be the next Secretary of the Treasury. Mr. Paulson had his hearing yesterday. That was before the Finance Committee that I chair. He was reported out on a unanimous voice vote this very morning in the Finance Committee.

Since the Treasury Secretary is the top economic policy official in the administration, and the Treasury Department implements so many of our Nation's laws—be it tax, trade, or commerce—we have a tradition in the Senate of moving with all deliberate speed on nominations to fill that post.

That tradition has held no matter which party controlled the White House or the Congress. I have moved aggressively on this nomination, but the timeline is consistent with past Treasury Secretary nominations.

Just as an example, everybody remembers Secretary Rubin in the Clinton administration. That timeline is something like: The Senate receives his nomination January 4, 1995. That was the first day of the session that year. The official ethics-related paperwork was received on January 5 of 1995. The Finance Committee staff expedited review of the complicated financial details of Secretary Rubin, also a senior official at Goldman Sachs—Henry Paulson being the CEO of that same firm. The Finance Committee held a hearing 5 days later, on January 10, 1995. On that same day, the committee reported Secretary Rubin's nomination. On that same day, the full Senate confirmed Mr. Rubin, and he was sworn in as Treasury Secretary.

So we are moving with a similarly aggressive schedule. I appreciate the cooperation of Members on what I will acknowledge is relatively short notice.

I thank the committee tax staff on both sides, especially the joint committee staffer Gray Fontenot, and the hard work that not only he did, but a lot of others, and it took a lot of long hours to process these papers over just a period of a few days prior to today.

My staff examined Mr. Paulson's complicated financial records, his tax return, and the activities of his firm, Goldman Sachs. We do this most often in the area of tax planning. We have received very good cooperation. Then, of course, after the review, we have high confidence in his qualifications for this position.

Mr. Paulson brings to the table an enviable set of assets, meaning qualifications to do a good job as Secretary of the Treasury, although I presume he brings a lot of other assets to the table as well. Mr. Paulson spent a good amount of his youth—would you believe it—in the cornfields of Illinois. As a bright young man with excellent academic credentials, he served in the Pentagon and in the White House.

After Government service, Mr. Paulson joined Goldman Sachs and rose through the ranks to the highest position of chief executive officer.

When you look at Mr. Paulson's story, you come away with a view that this is a guy who gets the best results at whatever he tackles, and that is just the sort of a person we need as Secretary of the Treasury because we have a very good economy, measured by long-term standard measures of the economy—creating 5.3 million jobs in the last less than 3 years, having 4.6 percent unemployment, having growth on average that we had during the 1990s; lots of measurements of the economy that are very good.

I am not picking out things that are never used to measure the economy. I am talking about things that have been used to measure the economy over the last 60 or 70 years. Those measurements say it is good. But if we don't have the right people setting the right policy for carrying out those policies that Congress might set, it could be in jeopardy.

That is why we need a person of Paulson's background—a person who comes out on the right end of almost everything he tackles—to be the chief economic voice for our country and to be the voice for this administration. But his work is the administration's work, his work is the country's work, and I think he is up to doing the country's work.

The impression I have and gave you about Mr. Paulson is reinforced when you have a personal meeting with him. I think it is fair to say that after yesterday's hearing, Members on both sides of the aisle came away very impressed with Mr. Paulson as a thoughtful and intelligent nominee who appreciates the concerns raised by Senators and will work with Senators on trying to solve those concerns.

I will touch briefly on one matter that came up at the hearing, and which I know is of concern to some Members. It is well known that Mr. Paulson is active in environmental issues. He is an avid bird watcher and is chairman of the board of the Nature Conservancy. I share the worry that Mr. Paulson knows his job is to be Secretary of the Treasury and not head of EPA. Mr. Paulson's response on this concern to about three of us on the committee who brought this up was this. He said:

> The President of the United States has nominated me to be Secretary of the Treasury, he hasn't nominated me to be Secretary of Interior, he hasn't nominated me to be head of the Environmental Protection Agency, that really big focus I have is going to be dealing with so many of the issues that we've been talking about today, the economic issues that are the core of our agenda . . .

Considering his sincerity—and I don't think he is a person capable of misleading—I think he is very transparent. I came away with the confidence that Mr. Paulson knows where his focus needs to be and where his responsibilities lie.

I did kid him the other day. There is a superintendent of that building you call the Treasury Department down there that is trying to get his favor. So they are probably right now building a bird-watching station for him outside of the Treasury building someplace because he is known very much for that.

But I think he is going to tend to business and not get over into other areas of the Government.

I also note that Mr. Paulson is here at just the right time. He is here to deal with tax reform, China currency, and with other major economic issues facing America.

I am pleased that Mr. Paulson has answered the call to return to public service.

I encourage Members to vote in favor of a highly qualified nominee to be Secretary of the Treasury.

For the public at large that does not quite follow everything every day in Washington, DC, I hope you understand that there are some people in America who are willing to give up the multimillion dollar salaries as CEOs of Wall Street firms to serve the public good, to serve as Secretary of the Treasury and a lot of other positions in Government and make less than $200,000 a year compared to the tens of millions of dollars that they make. Most people who like to make big money like to keep on making big money. But there are some people, such as Mr. Paulson, who are willing to serve the American public, to do what is right for our country and do it willingly and selfishly.

I urge my colleagues to vote for a very good citizen, a person who I believe will be a very good Secretary of the Treasury.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank my good friend, Chairman CHUCK GRASSLEY, for the way in which he has moved this nomination. It is the right thing to do. I commend him for it.

Mr. President, I also support Hank Paulson, this administration's nominee for Secretary of the Treasury.

Throughout its history, the Department of the Treasury has required enormous innovation, vision, and perseverance. Our Nation's first Treasury Secretary, Alexander Hamilton, laid the foundation principles of America's public economy, its credit, its industrial development, and commercial activity.

In 1790, Hamilton presented to Congress his plan for public credit, assuming the States' war debts, implementing import duties and excise taxes to repay these debts, and establishing a national bank. The next year, he laid out a plan for an American manufacturing economy, so far ahead of its time that it resonated well into the 20th century.

Henry Morgenthau Jr. steered the Treasury for over a decade in peace and in wartime. He defended the dollar against speculation through the 1930s, financed the war effort with war bonds, and ushered in a new system of international financial stability after the Second World War.

Secretary James Baker embraced new challenges, including the Latin American banking crisis and the Plaza Accords.

The Asian financial turmoil of the 1990s met the able and wise leadership of Secretaries Robert Rubin and Lawrence Summers. They steered the world economy through crises. And they managed our economy's remarkable growth and return to fiscal discipline.

Today, leadership and vision are as imperative as during our Nation's founding and in the two centuries since. The challenges are different. The world economy is more complex. China and India are economic powers on the rise. Speculative investments have grown. Twelve European nations are bound by a common currency. Financial markets are deeper, more liquid, and more integrated than ever before. But global economic growth and international trade are fundamentally out of balance.

Faced with these challenges, I welcome this administration's nomination of Henry Paulson to become Secretary of the Treasury. I have known Hank for many years. I believe that he is an outstanding choice for this demanding position. Hank has demonstrated his knowledge of financial markets and helped guide them through three decades of transformation. He rose to the helm of Goldman Sachs with our former colleague Governor Jon Corzine, and as sole CEO, presided over some of the most successful years of that company.

Hank is broadly respected by his colleagues. He has earned a reputation as a man of boundless energy and a relentless work ethic. Hank proved himself an innovative and prescient thinker, able to consider economic and financial challenges before they are upon

us. Today he has nobly answered the call to public service. And he will bring much-needed credibility to our economic message to hard-working Americans, and to the world.

Hank Paulson understands that our economy's strength is rooted in the entrepreneurial spirit and the competitive zeal of the American people. He understands just as well that our strength is not a given. That we cannot take our economic preeminence for granted. In the Rose Garden last week, he rightly declared that ''We must take steps to maintain our competitive edge in the world.''

I welcome Hank's determination to take steps to boost our economic competitiveness. I am convinced that economic competitiveness is one of the greatest challenges facing this administration, this Congress, and our Nation.

The competitiveness challenge comes from a rising China. China has tripled its share of global trade in 4 years. China has become the world's top information technology exporter. And China has drawn much of the world's investment.

The challenge comes from India. India's IT sector has grown 50 percent a year since 1993. India's universities are top-notch. And India's research capabilities attract billions of dollars in investment.

The challenge comes from countless smaller economic dynamos in Asia and Europe. These emerging markets have transformed their economies to embrace globalization.

Yet our competitiveness challenge also comes from within. America too often looks back at what we have achieved. Rather, we should prepare for tomorrow's challenge.

Our broadband infrastructure ranks 16th in the world. Our research and development spending ranks behind Sweden, Finland, Israel, Japan, and South Korea. Three out of 10 Americans do not graduate high school. One-quarter of Americans read below basic levels. And our national savings are negative.

These challenges are at our doorstep. We must act. That is why I urge Treasury Secretary Paulson, once confirmed, to lead this administration's engagement with Congress on economic competitiveness. As I have said in several dozen statements on competitiveness over the past months, we can wait no longer to implement a real competitiveness agenda. We in Congress are ready.

I have spent much of the past year developing a comprehensive economic competitiveness agenda. This agenda focuses on education as the foundation of a successful economy.

In the coming weeks I will introduce legislation that would provide scholarships and create tax incentives for early education, science, math, and engineering teachers. It would provide matching funds to offer universal early education, lower barriers to higher education, and double the number of advanced placement courses in our high schools. My education competitiveness legislation would support afterschool and mentoring programs. It would restore our commitment to Native American education. It would direct grants to outstanding young scientists. And it would encourage companies to get involved in making our schools the world's finest.

Upon this foundation of education must stand strong pillars of a competitive economy. One such pillar is energy, which fuels a successful economy. My energy competitiveness legislation would look to the future. It would create the new Advanced Research Projects Agency—Energy to conduct transformative research and create alternative energy solutions. While this research would look for tomorrow's energy alternative, my legislation would also encourage today's alternative energies, like coal gasification technology, wind, and other alternative fuels.

A second pillar of my agenda is the Research Competitiveness Act, which boosts what America does best—innovate. My legislation would simplify and make permanent the research and experimentation tax credit for innovators looking for tomorrow's next big thing. My legislation would provide access to start-up capital for small, research-intensive businesses. And my legislation would encourage support of basic university research.

The trade competitiveness initiative is the third pillar of my agenda. Trade is vital to American ranchers, farmers, and businessmen. But they must have a level global playing field.

Legislation I have introduced would create a Senate-confirmed trade enforcement official who would be dedicated to guaranteeing that our trading partners play by the rules. It would also give the Treasury Department the tools to keep countries from unfairly manipulating their currencies to keep their exports cheap.

A fourth pillar of my agenda is the Savings Competitiveness Act. It would underscore savings as critical to households and vital to a healthy economy. It would make the Saver's Credit into a refundable matching credit. It would make enrollment in 401(k) plans automatic. It would offer savings plans for small business employees. And it would create Young Saver's Accounts for parents' contributions to their children's savings.

Friends warned Alexander Hamilton against accepting a position as Treasury Secretary. They said the position was too difficult, too controversial. He replied simply: It is the situation in which I can do the most good.

I believe Hank Paulson can also do much good. I hope my colleagues will join me in welcoming this nomination. I hope we can work together to implement a comprehensive agenda to improve America's economic competitiveness.

I yield the floor.

The PRESIDING OFFICER (Mr. MARTINEZ). The Senator from Oregon.

Mr. WYDEN. Mr. President, I commend Chairman GRASSLEY and Senator BAUCUS for moving quickly to have the Senate consider the nomination of Henry Paulson. I am convinced he is the right man at the right time. It is my intent to strongly support his nomination and vote for him later in the course of this afternoon.

My hope, in particular, as Henry Paulson moves to this vital position, is that he will move quickly to set in place a strategy for reforming our Tax Code. Suffice it to say, a lot has happened to our tax system since 1986, the last time the Tax Code was overhauled.

For example, since 1986, there have been more than 14,000 changes to the Tax Code. It comes to three changes for every working day for the last 20 years.

There are substantial questions with respect to fairness in the Tax Code. I am one who feels it is critically important that every American have the chance to build and accumulate wealth. That is pretty hard to do, given some of this country's tax policies.

For example, this spring, Warren Buffett, who is the second wealthiest person in the United States, told me he was going to be paying a lower tax rate than his receptionist. That is not right. I am not interested in soaking anybody. I am not interested in any kind of class warfare. But I want middle-class people to be able to get ahead as well.

For the first time in decades, we have seen corporate profits go up. We are glad to see that. We have seen productivity go up. We are glad to see that. But middle-class people are not seeing much growth in their wages. They are living paycheck to paycheck.

As Hank Paulson goes to the Treasury Department, I know he is interested in coming up with a fresh approach to the Tax Code, an approach that can allow us to simplify it, get a fair shake for middle-class folks and all Americans. I particularly commend our ranking minority member, Senator BAUCUS, because I think Senator BAUCUS, in talking about global competitiveness and what it is going to take to create high-skill, high-wage jobs for Americans in the global economy, has done some of the heavy lifting on this key issue by spending a lot of time over the last few years looking at these issues, talking to people on both sides of the aisle, with business leaders and the like. I commend Senator BAUCUS because he has laid some of the key groundwork to discuss tax reform as a result of his focus on global competitiveness.

I also thank Chairman GRASSLEY for his discussions with me and with the committee. We have begun to look at corporate issues in this area. Senator GRASSLEY, as he begins the effort to look at tax reform, particularly because of the bipartisan way in which he has led our committee, is a person ideally suited to work with Senators

on both sides of the aisle and the administration, for us to build a strategy with a new Secretary of the Treasury, Mr. Paulson, to get this job done.

Suffice it to say there will be some very tough issues. Look, for example, at the issue of State and local jurisdictions and the differing tax treatment we have for these jurisdictions. A State that may have high taxes, such as New York, looks at this differently than a part of the country that does not have the same dependence on revenues from that source.

With the leadership of Chairman GRASSLEY and Senator BAUCUS and a new Secretary of the Treasury who is going to look to bring people together, look at how we can modernize the Tax Code so we can make the kind of decisions that are necessary to give our citizens a better quality of life in a global economy. We are up to it.

We do not have a lot of time. The next 6 months, particularly the time between now and January, is key. That is why I have been so pleased Chairman GRASSLEY and Senator BAUCUS have been interested in looking at these issues. As a result of their examination of these topics, we can lay the groundwork so the administration next January could work with Senators on both sides of the aisle, work with the other body and work with the Senate, and we can enact comprehensive tax reform.

There will be a host of other issues we will have to look at. Obviously, health care, the fastest rising expense in the American economy, is dramatically affected by the Tax Code. I happen to think there are some good ideas on both sides of the aisle with respect to tax treatment of health care expenditures in our economy. We are spending over $150 billion through the Tax Code on American health care. I don't think we are getting our money's worth. In too many instances, we are subsidizing inefficiency. This is certainly going to be a controversial area.

Democrats and Republicans, under the leadership of Chairman GRASSLEY and Senator BAUCUS, and the new Secretary of the Treasury can dig into that issue.

The last point I mention, in the Commission that was set up that was chaired by Senator Mack and Senator Breaux, there are some good ideas the Congress can pick up on, working with the administration. Certainly, I don't agree with all the Commission has proposed, but let me give a couple of examples.

In legislation I have authored, the Fair Flat Tax Act, I have made it clear I want a Tax Code that is simpler, fairer and flatter. If you look at what the President's Commission has come in with, there is some opportunity for common ground. For example, in my Fair Flat Tax Act, there is a 1-page 1040 form, something a typical person can fill out in about half an hour. The administration's version, the one that came out with the advisory committee, is probably six, seven lines longer. I have a 30-line, 1040 form; theirs is six or seven lines longer. Big deal. For purposes of Government work, we can find common ground in a hurry in order to have a simpler Tax Code. That alone would be a real contribution for the American people.

On the question of making the Tax Code flatter, there are six brackets today in our Tax Code as it relates to the individual side of the code. My proposal involves three brackets. It is a progressive structure. Essentially, it is the same one that Ronald Reagan started with when he looked at tax reform. The President's advisory commission comes in with four brackets. Once again, big deal. We can find common ground as it relates to making the Tax Code flatter.

There are differences of opinion, certainly, in other areas. I have mentioned trying to get a fair shake for middle-class folks. We all understand what Henry Ford said about capitalism. Henry Ford was an industrialist. He said he wanted to do well, but for him to do well, his people had to have enough money to be able to buy cars.

Middle-class folks are getting hammered in a way today that makes it hard for them to make a lot of these purchases that are essential to them, which is why they wrack up so much debt. I think both political parties can find common ground on this tax issue.

For example, Henry Paulson yesterday talked about the value of low rates. I certainly agree with his interest there. Marginal rates are particularly important. It was something Ronald Reagan recognized in 1986. Senators on our side of the aisle, including Bill Bradley, said exactly the same thing. We can get the rates down. We can ensure fairness for middle-class folks.

What we are going to need is leadership. We are going to need it in a hurry. Chairman GRASSLEY and Senator BAUCUS are going to do everything they can to find common ground on this issue. I am very pleased that Henry Paulson, who could certainly find other things to do in his life besides public service, is willing to step up and take on this effort. He will have to move very quickly to drive this tax reform debate. As I pledged to him in my private meeting and said again yesterday, I am interested in working with him and the administration in a bipartisan way. There is a lot of good faith and a lot of interest in this issue. It is a key consideration in how we are going to create high-skill, high-wage jobs for Americans in the future and enhance the quality of life for middle-class folks.

Henry Paulson is the right person at the right time. He is going to have a lot to do, and he is going to have to do it in a hurry. I intend to work with Chairman GRASSLEY and Senator BAUCUS to ensure we have an opportunity, on a bipartisan basis, to tackle these big economic issues in the right way. Right at the top is tax reform.

I urge colleagues today to indicate their strong support for Henry Paulson, head of the Treasury Department.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. 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. BOND. Mr. President, I rise in support of the nomination of Henry M. Paulson to be Secretary of the Treasury. If confirmed by the Senate, he would be the Nation's 74th Secretary of the Treasury.

From what I know about him from reputation, from his work on Wall Street, and from what I have learned in my discussions with him, I believe Hank Paulson will bring a kind of strong leadership, unique expertise, and knowledge of global financial markets and will be fully capable of keeping our country competitive in a global economy.

Mr. Paulson is a strong choice for Treasury Secretary for many reasons. Most people know of his talents, the intimate knowledge he has of the financial markets, and his ability to handle crises. He is considered a hard worker who is dedicated to his job and who understands the importance of strong and capable management to run a large organization.

Today I spoke about the SWIFT program, the very important Treasury terrorism finance tracking measure that was regrettably blown by the newspapers last week. When I talked to him, he obviously did not know about it. I did not know it was going to become an item of news. But as he seeks to repair our relations with banks across the world, his experience in dealing with international financial matters will be a great benefit.

He has a string of very important challenges facing him. We have the deficit, which is running out of control by reason of unsustainable entitlement spending. The value of the dollar is falling. How much of a problem is that? How do we deal with it? There is a tax gap in the IRS of roughly 15 percent of the money that is owed or some $345 billion that is not collected. He needs to work through the IRS to cure that. We have a Tax Code that is so complicated, even professional tax preparers disagree on what the implications of many normal transactions are. He will have to fight terrorism financing. He is going to have to confront the issues of dealing with rogue nations such as Iran, and others, through economic sanctions and getting others in the world community to join with him.

As of yesterday, as the chairman of the appropriations subcommittee that handles the Treasury, IRS, and other agencies, I have found that they have

water in their basement and they have extremely mundane problems like that, to the global issues that face any Treasury Secretary. I think even the media understands that this is a man who has experience and whose is held in high respect by major world financial leaders, as well as American financial leaders, and he will serve us well.

As chairman of the Transportation, Treasury, the Judiciary, HUD, and Related Agencies Appropriations Subcommittee, and as a member of the Senate Intelligence Committee, I look forward to working with Mr. Paulson in meeting these challenges.

Even though he is a sophisticated Wall Street financier, I was pleased to find out that he is basically a Midwest farm boy at heart. We had a very useful and productive discussion about growing native grasses such as big and little blue stem and Indian grass and how to burn them in the spring to make sure the crops come back without weeds or other non-natives. So he has a strong foot in reality, a Midwest farming background, but he also has a very strong background and expertise in financial matters, and he has respect on Wall Street.

I urge my colleagues to support the nomination of Hank Paulson. This is a time when we have many serious issues, and having him confirmed by this body will be a great asset to us in dealing with everything from international negotiations, terrorism financing, and the other significant economic challenges the world presents today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, as we consider the nomination of Henry Paulson to be Secretary of the Treasury, I think it is important to bring a reality check to some of the claims about the current state of the economy—those claims made by the administration.

My colleague, Senator BENNETT, pointed out that yesterday we had a hearing in the Joint Economic Committee, and appearing as a witness was Edward Lazear, chairman of the Council of Economic Advisers. We had also two outside experts who were economists testifying on the state of the economy. Many of the Bush supporters are claiming that the economy is strong and everyone is benefiting, but I doubt that many working Americans would see it as strong as they do and see it as benefiting them as much as it is claimed by the administration.

It is true that the economy is experiencing a business cycle recovery after the 2001 recession and after going through the most prolonged job slump since the 1930s. The President pointed out that the economy has done better since 2003 than it did in 2001 and 2002, but they don't talk about how this recovery has not been particularly strong by the standards of previous recoveries.

This first chart shows the percentage change in payroll employment. The curve here is the average of seven previous recession recovery cycles. If you look back, historically, it is a much more robust increase over time than this lower line, which is the March 2001 to May 2006 statistics, the recovery in the last several years. In fact, this recovery is much less than the recovery was after the 1990 recession. That recovery was called the ''jobless recovery'' because job generation was so slow.

So what you are seeing is that job losses continued for much longer in this period of time, 2001 to 2006, than had been typical. This recovery has been much weaker than those in the past. At this point in the recovery, from the 1990 to 1991 recession, the economy had created 5 million jobs.

That is this delta right here—5 million more jobs than have been created in this recovery. So the difference between job generation at the same point in March 2001 to 2006, and comparing it to the 1990s, is plus 5 million jobs.

This situation is similar with respect to business investment. It took much longer for the recovery to start with respect to business investment, and the level of investment lagged behind what has been typical in past recoveries. Each year of depressed investment means less capacity to produce goods and services in the future.

Defenders of the President's economic record cannot deny that workers' wages have not been keeping up with inflation. Part of that is a result of many factors but, one, looking back at the investment, it has been a relatively small recovery in terms of business investment. Here is the average of seven previous recoveries and here is the 1991 recovery business investment and here is the current recovery. It is not as robust as it has been in previous recoveries.

As I suggested a moment ago, there is another very palpable impact of this bad economic news, and that is that wages have not been keeping up with inflation. This will be, no doubt, no surprise to working families as they work to get their paychecks each week. Some have suggested that this is a result of the fact that wages are held down but benefits are growing, and that compensation is growing at historic rates. This is not the case.

This is a chart that shows productivity, the output per hour, and real compensation per hour. What you generally see is that productivity increases will be closely tracking compensation increases except over the last several years where productivity is going up at a significant pace, but real compensation, wages plus benefits, is lagging far behind. This is what the average American is confronting today when they are looking at increased gasoline prices, soaring health care prices, and they are not seeing either in their paycheck or, in many cases, even benefit packages the same kinds of increases that are so necessary to keep up with an increase in inflation. Growth in compensation has lagged behind. Wages have grown more slowly than total compensation, but that is not because workers are negotiating better deals from their employers, it is because employers are facing higher costs for health insurance and are squeezing workers' wages as a result.

Increased health care prices, particularly in the area of small business, is causing many businesses to forego increases they would like to give to workers, in terms of wages, just to keep up with increased health care costs. This doesn't mean a better health care package for workers, and in some cases workers are being dropped, unfortunately, from health care protection because of the expense.

What we are seeing is that compensation is not keeping up with productivity and, typically, compensation does keep up with productivity. There is another issue, too, with respect to the situation for many American workers, and that is the fact that pension arrears have to be made up. Many companies now are putting money into pensions just to make them actuarially sound, where in the past they might have devoted that to wages. By and large, the situation, when it looks at the working men and women, is that we are not seeing the robust increases in wages or compensation that is important.

These points were made by one of the witnesses yesterday at the JEC hearing, chief economist of the Bank of America, Dr. Mickey Levy, who testified that:

> Wage and compensation increases have been somewhat disappointing. Real wages have been suppressed by higher energy costs and have not kept pace with labor productivity gains. . . .Wages may be constrained by higher employer costs for workers' health care, along with the heightened international competition related to low cost production overseas. . . .

Wage and compensation increases have indeed been disappointing, especially for the majority of workers who are not getting them. Gains in average earnings or income do not tell the real story when they hide growing inequality. When you look at one level, you see increases, but when you look at how the increases are distributed across the working population, it is another story altogether.

The red bars on this chart show that workers in the middle and bottom have experienced a decline in real earnings, while those at the top have experienced gains. This is in sharp contrast to the experience of the time from 1995 to 2000. Here in blue, in the data for gains in terms of earnings, broken down by the lowest 10th percentile, 25th, median, 75th, and 90th, at the upper level in the 1990s you saw increases, but they were almost comparable at the very lowest level of income. You saw the proverbial picket fence, where there were positive gains at every percentile. What we are seeing today is quite the reverse of that—losses in real terms of earnings at the lowest levels through

the middle levels, and only at the upper income levels are you seeing real gains in earnings.

So the distribution of the economic progress that is being made over the last several years is not being shared fairly. Those at the upper income levels are seeing gains but, frankly, not the same robust gains of the nineties. At the bottom-income and middle-income level, there is a loss in real earnings.

That is not an example of an economy that is working for all Americans. That is an economy that is working for the very affluent Americans. The answer of the Bush administration to these economic trends is basically to ignore them, try to gloss over them or redefine them or explain them away. They proposed tax cuts, which will do very little to help this distribution of earnings. In fact, what it does, essentially, is protect more of the earnings at the upper income levels. If we continue along the present course, we will be undermining the economy's longrun capacity for growth and undermining future living standards.

Another aspect here, too, that is not dwelt upon by the administration is the fact that we are virtually zero in national savings. Without national savings, there is not the pool of investment capital necessary to provide for the new technology, new capital of the future. We are borrowing huge amounts of money overseas to fund our deficit. This is investments made in our country. But in terms of national savings of this country, it is close to zero. In some cases, it is negative.

These are the real problems that confront this country. These are the real questions that Mr. Paulson has to address. How do we create an economy that performs as well as it did in the 1990s, where earnings gains are shared virtually equally across the spectrum of income, where low-income Americans don't see a loss of earnings but actually a gain? How do we ensure that wages and compensation keep up with productivity gains? How do we ensure essentially and fundamentally that the working families in this country cannot only get by but get ahead? That is the question that Mr. Paulson has to answer as Secretary of the Treasury.

I think it begins with looking hard at the deficit and the policies of the administration with respect to taxes. I don't subscribe to the theory that our deficit is caused by runaway entitlement programs. We have an issue with entitlement programs, but we also have an issue with tax programs that take away revenue and are targeted to the wealthiest Americans. We have problems with expenditures that we cannot avoid with respect to supporting our forces in the field. We cannot stop providing equipment and materiel for our forces fighting the wars today, and we have to take care of them in the future. But there are significant issues with which we have to deal. I hope Mr. Paulson will be a strong voice in this administration to look at the facts and propose realistic solutions that benefit not just the few who are wealthy but the vast majority of Americans.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank my colleague from Rhode Island. Senator JACK REED is our voice on the Joint Economic Committee. It is a committee that takes a look at the overall economy and reports to our caucus regularly. Senator REED has brought us economic indicators from time to time that give us at least some insight as to how we are doing in most general terms in America.

Everybody measures the economy by their own lives, their own family, maybe their own town, but when it comes to the appointment of a Secretary of the Treasury, we take a step back and look at the overall economy in America.

A good Secretary of the Treasury can make a big difference. When Bob Rubin became Secretary of the Treasury under President Bill Clinton, he faced enormous challenges with huge deficits as far as the eye could see and an economy moving ever so slowly. He put in place those policies on an economic, fiscal, and monetary basis that made a big difference.

Our Nation went from a deficit in our budget to a surplus. We actually put the indebtedness behind us for the first time in decades. The good news is we did it while the wealth of America was expanding dramatically. That period during the Clinton years saw people with their own savings accounts growing, more pension plans expanding, folks buying homes and starting businesses. It was a time of great economic expansion.

No one person deserves the credit or the blame for our economy, but Secretary of the Treasury Bob Rubin was the right person at the right time to speak sense to the President about what needed to be done to make America strong for years to come. I have the same confidence that Henry Paulson is going to do that as well, and we need him now more than ever.

I come to this with some prejudice because Mr. Paulson is a son of Illinois. He still calls Illinois his home. He spent his adult years—at least recently—commuting back and forth between Illinois and New York and places around the world in his capacity as an investment banker.

We had a terrific meeting in my office a week or two ago and talked about his life in Illinois, the experiences he had, about his family, and his commitment to our State. I readily concede I come to this nomination with some bias. But I think Mr. Henry Paulson is the right man for the job of Secretary of the Treasury at this moment in history.

He came up through the ranks of Goldman Sachs, starting in their Chicago office many years ago and eventually becoming the CEO of that important investment bank. I don't think a person can rise to that high level without understanding how business works and how the economy works. Since even a corner grocer knows that an organization cannot run up endless debt forever without paying a stiff price, I think Mr. Paulson understands that as well. I think his business experience may help to start balancing the books in the Washington, DC, situation, which has been far from balanced for a long time. It is not a moment too soon for someone with Mr. Paulson's business background to tackle this challenge.

Consider these realities Mr. Paulson will face when he becomes Secretary of the Treasury:

This Bush-Cheney administration has accumulated more foreign-held debt in the past 6 years they have been in office than all of the 42 Presidents before President George W. Bush. In other words, our indebtedness to foreign governments, such as Japan, China, Korea, and the OPEC nations, that, in fact, bankroll the debt of America, hold America's mortgage, has grown in dramatic terms over the last 6 years.

That is not the policy President Bush inherited from the Clinton administration, which was generating a surplus. It is an approach he has taken which, sadly, has left us deeply in debt. The Bush administration came to office with a national debt of less than $6 trillion—$6 trillion—and in just a 6-year period of time, it is almost $9 trillion, almost a 50-percent increase in America's mortgage, America's national debt in the short 6-year period of time.

During this period, all but for a few months, the President has had a Congress of his own political party. The Republicans have controlled the House and the Senate, and the President has yet to veto the first spending bill in the time he has served as President. Not once has he said ''no'' to a spending bill that has come from Congress, particularly from his Republican Congress, and in the meantime his tax policies and spending policies have driven us into the highest level of national debt in the history of the United States. Our indebtedness is held by mortgagers such as China and Japan who expect in return to have a piece of the American economy.

Secretary of Treasury Paulson will, I am sure, understand this, that as we become more indebted to these foreign nations, it is no wonder they take a claim on our economy. Why did we have to debate a Dubai Ports deal? Because Dubai happened to hold enough American dollars to have clout in our economy, and that is the reality.

As these foreign entities become more powerful in our economy, sucking good-paying jobs out of the United States, it is a serious challenge for any new Secretary of the Treasury.

The President has called for more tax cuts, which means deeper deficits,

more debt. It is estimated now that the indebtedness of the United States is a burden on every single man, woman, and child in America to the tune of $30,000 and growing. So in addition to a home mortgage and a student loan, we are unfortunately the victims of policies in Washington that increase the indebtedness of future generations.

This has to stop. This is a disaster in the making. We have to balance the books and do it quickly. I hope Mr. Paulson has the vision and the strength to convey that message effectively within this administration.

I hope he will take a very close look at our trade policies as well. My colleague, Senator SCHUMER, will speak after I finish. He has been one of the leaders in the Senate talking about the inequities in our trade policy with China.

I believe globalization is as inevitable as gravity. We know we are in a shrinking planet. We do more business with one another than ever before. But when we enter into trade agreements with countries such as China, we say we are establishing rules of conduct, fair trade. Unfortunately, particularly in the case of China, many countries ignore those rules. They violate those rules.

The Secretary of the Treasury has to be a strong voice to stand up for the American economy, American businesses, and American workers to demand that the countries with which we trade play by the rules. I think free trade is good for the future of our world, certainly good for the future of America. We are a land of opportunity. We have risen to every challenge, but we need to be involved in a fair fight where both sides play by the rules.

The Bush administration has not fought hard enough for these trade agreements and understandings. When we create a trade agreement, we need to ensure that there are proper labor protections in place. We are about to consider a trade agreement with Oman, a very small country in the Middle East. There are good reasons for us to enter into that trade agreement. But when Members of the Senate suggested to the Bush administration that we put a prohibition in the trade agreement with Oman that they could not use slave labor—slave labor—to produce goods and services sold to the United States, the administration said: No, we are going to remove that, we don't think we should go that far.

Slave labor? We should have basic understandings of what the labor standards will be. We know many countries will underbid us when it comes to the cost of labor, but there ought to be fundamental standards.

The same is true when it comes to environmental protections. U.S. businesses operate under laws which restrict them in terms of their conduct, whether it is a burden or some sort of a problem with our environment, whether it is water pollution or air pollution or similar things. What we should insist on for the good of this planet we call home is that the countries engaged in trade with the United States also have respect for the environment of the world. Whether it is global warming or toxic release, we are literally all in this together.

After we create these good trade agreements, the Secretary of the Treasury has to make sure there is proper enforcement so we don't just give our speeches on the Senate floor and then ignore the trade agreement afterward.

I hope Mr. Paulson will fight harder than his predecessors to promote trade that is aggressive and fair. I also hope he will push for a tougher and more proactive stance when it comes to China. I am sure my colleague will speak to that further.

He has traveled to China more than 70 times. He understands the importance of this critical relationship with this growing giant in the world economy. When we spoke in my office, I asked him specifically to deal with currency manipulation, intellectual property rights infringement, and trade violations.

He also has to be very strong when it comes to China's labor records and their record on the environment and human rights. While he did not have any specific suggestions—I didn't expect them—I believe he was responsive, he understands the challenge, and I think he can rise to that challenge. That is why I am supporting his nomination.

Finally, I hope Mr. Paulson's sensibility about the environment will become a source of real leadership in this administration. I know Mr. Paulson reiterated at his confirmation hearing that he is not running to be head of the EPA or Interior but Secretary of the Treasury. Still, Henry Paulson is a former chairman of the board of the Nature Conservancy. That is a group with which I have worked in Illinois that has great respect for our natural resources and has done a lot to reclaim them for future generations.

I hope he can push the Bush administration to take a forward look at the issue of global warming. This is an issue which is real, and this administration must start immediately working with Congress to move on international agreements that deal with global warming. Mr. Paulson's voice at the Cabinet table could make a difference, and I am hoping that his deeply held personal beliefs will lead him to be that voice.

I support the nomination of Hank Paulson to become Secretary of the Treasury. I think he will work as hard for farmers in the heartland as he does for bankers in New York. I look forward to working with him to strengthen America's economy and put the Federal Government's finances back in order.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, I am going to take a few minutes. I am very happy with the support of the Senator from Illinois for the nomination of Mr. Paulson, but I challenge what was just said.

There is no question we have deficits. There is also no question that on 9/11, we experienced a great economic shock and we had a recession that was big. The tax cuts have led to the highest revenues this Federal Government has ever had.

On the spending side, I find it somewhat curious, the Senator from Illinois ranks No. 6 in the most spending voted for in the Senate last year. He ranks No. 8 in the cosponsorship of the most new spending outside the appropriations bills. You can't have it both ways. You can't complain that we are in deficits and we are in debt and never vote to lower the spending, never vote for amendments that trim wasteful spending, and then complain that somebody else made you do it.

If we look at the voting record on appropriations bills, there are not very many noes coming from that vote. The way we control spending—and we have proven it on our committee, the Federal management oversight committee—we identified over $200 billion worth of waste. If we want to balance the budget, let's have everybody on both sides of the aisle voting to trim the waste, fraud, and abuse out of the Federal Government, rather than when we go to a conference or a meeting with the President when there is excess money and demanding more spending, not less.

The numbers are fairly revealing. Last year, Senator DURBIN sponsored $93 billion in new spending—new spending, outside of what we did on appropriations. He put his name to spend $93 billion, and he put his name to trim $100 million. That is the problem we have. It is not taxes, it is wasteful spending and the idea that the only way we can accomplish something is to spend more money.

I am for the same priorities. We need to help the people who need help in this country. But we will never be able to afford it in the future without stealing from our kids if we don't do the hard work to get rid of the waste now, and that means voting against appropriations bills, not voting for them. The President signed what the Senator from Illinois voted for.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I rise to speak in enthusiastic support of the nomination of Henry Hank Paulson to be the 74th Treasury Secretary.

I have known Hank Paulson for 15 years. I recommend him to my colleagues wholeheartedly and without reservation. He is one of those great New Yorkers who come from somewhere else—in this case, the heartland of America—come to our city and become part of its life and a vital part of

this country and actually this world's economy.

Mr. President, Hank is an extraordinary leader, a great financial thinker, a businessman, a father, and, as I said, an adopted son of New York. Hank has excelled in every area of life—from the classroom to the football field to the boardroom and everywhere in between.

One of the things I like best about Hank is he is a straight shooter. He gives you direct answers to direct questions. We sure need somebody like that now.

He graduated from Dartmouth in 1968 and received his MBA from Harvard. He worked at the Defense Department, the Nixon White House, and then found his true calling at Goldman Sachs where he worked for 32 years. He became chairman and chief executive officer of Goldman in 1999, and should he be confirmed, he will continue a long history, a great tradition of leaders from Goldman serving in the Government, including Bob Rubin, one of the great Treasury Secretaries, and Jon Corzine, our former colleague, now Governor of New Jersey, and John Whitehead, who served honorably and well as Deputy Secretary of State under Ronald Reagan.

But the issue Hank really goes off the charts about, I say to my colleagues—particularly my colleagues on this side of the aisle will be happy to know—is the environment. Sometimes he would call me up and I would be sure he was talking to me about swaps or banking or some esoteric financial issue, and he would be talking to me about an environmental policy. I don't think he ever gets more enthusiastic than when he is talking about some rare bird that he saw on one of his birdwatching jaunts. He is an avid environmentalist and lover of all things in nature. I hope a few of my colleagues on the other side of the aisle will not hold that against him.

He is also one of those unique, good people who could fill any number of Cabinet posts. For instance, given his environmental proclivities, he would be a great Secretary of the Interior. But financial issues and the health of the global economy are his passions, that is mostly where he is needed, and I am glad the President has nominated him for this post.

In the world of finance and international markets, there is simply no equal to Hank. At this critical point in our economy's history, we need Hank's expertise and experience to lead the way.

The bottom line, Mr. President—you know it because we traveled to China together—we are at an amazing time economically. The world economy is becoming integrated, closer and closer every year. There is almost a one world labor market. Capital flows freely to every corner of the world. These circumstances present tremendous challenges for our Nation, in our desire to remain the world's economic leader, and for the world as we try to integrate this system. One of the great challenges we face is we are converging into one economic system, but we don't have one political system, and the bumps and grinds which that causes are large.

So we need someone who understands markets. We need someone who has great experience traveling the world and knowing how the rest of the world's economic system works. Hank Paulson has all of those qualities. I am particularly glad that he knows a whole lot about China—I think he has been there over 70 times—because I believe the most important bilateral economic relationship in the next decade or two will be the American-Chinese relationship. Hank has the ability to understand the economies of both countries and figure out how we can work together.

I have been very concerned about China playing by the rules. I have been very concerned that China doesn't simply seek the advantages of free trade but not the responsibilities. I have related these concerns to Hank Paulson.

On currency, Senator GRAHAM and I have worked closely with his predecessor, and you, Mr. President, have been involved in those issues as well as we traveled to China together. And we have worked to push and prod China to allow its currency to float based on international market forces. We have made some progress, but the progress since July has been too little, particularly in light of the fact that the Chinese assured us they know they have to get to a place where their currency floats.

Hank's extensive experience in China, his personal relationships with both the Government and business side—where, incidentally, there is quite a dichotomy. Most of the businesspeople and people even on the economic side of Government understand the need for free markets. That is in China's interests—not just America's—that China open up its markets. But a lot of people on the Government side are afraid of that. They don't like change. They don't like giving up control.

I think Hank Paulson is the right man at the right place at the right time to tackle the issue of persuading China to open up its markets more quickly. I believe that he is going to be able to show the Chinese that it is not only in our interest but in their interest as well to allow the yuan to float freely and to open up China's vast economic markets to American financial firms.

On financial services liberalization, I know Hank will work closely with Ambassador Schwab, who was just confirmed, to make sure that China lives up to its WTO commitments. This is going to be very important in the next few months because on December 11 of this year, many of the current restrictions faced by American financial firms that want to do business in China, such as purchase Chinese companies or open up branches in China, will be lifted. Hank is the perfect person to monitor China's progress and, more importantly, to prod the Chinese to go further than they have already promised.

In short, Mr. President, Henry Paulson is a thoughtful, dedicated, and renowned financial leader. I think this country will greatly benefit from his leadership. I am not at all shy about criticizing the President's nominees when I don't think they measure up to the job. I have done that in the judicial area repeatedly. But when the President nominates a sterling person, that person deserves praise and credit and, in my judgment, unanimous support in this body, and I believe that Hank Paulson is such a person.

I will be proud to vote aye when his name is offered on this floor in a few hours.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. 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. THOMAS. Mr. President, I wish to address the nomination of Henry Paulson to be Secretary of the Treasury. I believe there is no question that Mr. Paulson is more than qualified to be Secretary of the Treasury, and it is to his credit that he is willing to give up the helm of Goldman-Sachs to serve his country in such a significant way. I am pleased that we have a nominee of this caliber.

However, I have raised concerns stemming from Mr. Paulson's well-known personal views on conservation and affiliations with groups such as the Nature Conservancy. Representing a State where about half of the land is already federally owned, and much more is otherwise federally restricted as to use, private property rights a very big concern. Similarly, our vast energy resources in the State of Wyoming are essential to our country's national energy policy, and we struggle to maintain a balance between development of those resources and the quality of life we enjoy in Wyoming.

I submitted several written questions to Mr. Paulson after our Committee on Finance hearing, and we have had good follow-up discussion on these issues. He has assured me that he is a strong advocate for personal property rights and has committed to working with me and the Senate to pursue a sensible policy.

I am pleased to be able to lend my support to Mr. Paulson, and I look forward to working with him.

Mr. DOMENICI. Mr. President, I rise today to express my support for the nomination of Henry M. Paulson, Jr., to be Secretary of the Department of the Treasury. Mr. President, American

economy has changed dramatically in the past decade. International economic policy now has a direct effect on our domestic economy. The information age has transformed America's economic future. This new economy requires a new kind of Treasury Secretary. It requires someone who is experienced and knowledgeable in both the domestic and the international marketplace. It requires someone who has demonstrated exemplary leadership in both government and private enterprise. Henry Paulson will bring these vital skills to the Department of Treasury.

Mr. Paulson's outstanding career in both the public and private sectors has clearly demonstrated his ability to serve as our Nation's next Treasury Secretary. Prior to joining The Goldman Sachs Group Inc., Mr. Paulson served the public as White House domestic Council staff assistant to the President from 1972 to 1973 and as staff assistant to the Assistant Secretary of Defense at the Pentagon from 1970 to 1972. In 1974, Henry Paulson decided to enter the private sector. He joined The Goldman Sachs Group, Inc., in Chicago. Mr. Paulson worked his way up through the ranks of Goldman Sachs and is currently serving as chairman and chief executive officer. Clearly, Henry Paulson has had a very distinguished 32 year career in the private business sector.

Our Nation will be fortunate to have a Treasury Secretary with such broad and varied expertise, and these experiences will prove vital in leading a progressively diverse economy. I believe Henry Paulson will be an exemplary Treasury Secretary. He has already spoken of his keen appreciation for the role capital markets play in driving growth and efficiency, the globalization of finance and interdependence of major world economies, and ensuring that America's industries can compete in the new global economy. I am confident Henry Paulson will seek to strengthen and advance the competitive edge of our economy. I am certain his experience and leadership will be great assets in achieving these important goals.

Mr. President, it is my great honor to support Henry Paulson to head the Department of the Treasury.

Mr. HATCH. Mr. President, I wish to express my support for the nomination of Henry Paulson for Treasury Secretary. I believe we are quite fortunate to have someone of Mr. Paulson's caliber nominated to this vitally important position. Mr. Paulson has quite ably served in Government before in several positions before embarking on his impressive career on Wall Street, which culminated in his becoming CEO and chairman of Goldman Sachs. I am hard-pressed to think of many others in this country who might be more qualified for this position than Mr. Paulson.

Henry Paulson is joining the Bush administration at a very important time. Our Federal Government is in a precarious position as it stares down the abyss of ever-increasing entitlement obligations that threaten to swallow more and more Government revenue and, along with it, other vitally needed programs. As our Nation's baby boomers enter their retirement years, we will have fewer people working per retiree to support them while the cost of providing them benefits inexorably increases. It is a trend that cannot continue without bankrupting the country. Despite the highly partisan environment in which we find ourselves, it is at precisely this moment in history when our economy is strong and Government revenues are increasing sharply that we need strong leadership both from Congress and the administration. I believe that strong leadership and some bipartisan cooperation we will be able to successfully address these growing problems and come up with a lasting solution.

Now is also a propitious time to consider how to address the difficult problems facing our tax system. We need an Internal Revenue Code that is simpler, that promotes savings and economic growth, and that allows American businesses to compete fairly in the global marketplace. The Tax Code should serve the interests of the many, not the few, and one that is worthy of this great Nation.

Mr. Paulson is uniquely qualified to address the issues facing our country today. I view the expediency by which we have acted on his nomination as a confirmation both of Mr. Paulson's fitness for the job as well as of the importance of the position of Treasury Secretary. I urge my colleagues to vote to confirm him as our next Treasury Secretary.

Mr. REID. Mr. President, I rise in support of the nomination of Henry Paulson to be the next Secretary of the Treasury. I had the pleasure of meeting with Mr. Paulson, and we talked about a range of issues.

I was most impressed with his commitment to protecting our environment and his record as a conservationist. I believe this administration needs someone committed to protecting our natural resources—even if he is at Treasury.

I found Mr. Paulson to be an engaging and thoughtful person. These are qualities we need in our next Secretary of the Treasury, because he will have his work cut out for him. He faces an impending crisis not of his making, and for which courage and persistence will be needed to even begin the process of righting the ship.

From the kitchen table to the national debt trade imbalance, our economy continues to move in the wrong direction. The middle-class is being squeezed like never before. Under the policies of this administration, families are forced to work harder and harder to make ends meet.

In Nevada, families, farmers, and businesses are on track to pay approximately $3 billion for gasoline this year. That is over $1.5 billion more than was spent in our State in 2001. The cost of college tuition in Nevada has increased 2 percent, while Federal student aid has failed to keep pace.

But this is not just a Nevada story. It is an American story. Nationwide, since President Bush took office, energy prices have increased nearly 100 percent, health premiums have increased by 71 percent, college tuition has increased nearly 60 percent, and the price of housing has risen dramatically, all while wages have been stagnant despite growing productivity.

Instead of focusing on the needs of middle-class families, the Bush administration has ignored their problems. The President argues that the economy is doing great—he thinks middle-class families are in fine shape. Meanwhile, he is pursuing policies that would only make matters worse.

The twin trade and budget deficits accumulated under President Bush have put the United States in a precarious situation. To fund our record trade deficits—which have more than doubled under President Bush—we have had to sell U.S. assets to foreigners. In 2005 alone, the United States sold to foreign governments and investors a portion of the U.S. economy that was larger than the combined economies of Nevada, Arizona, Ohio, Montana, Rhode Island, Wyoming, and North Dakota. Take a moment to absorb that fact.

And, the problem is just getting worse. If current trends continue, in 20 years, we will have sold the entire wealth of America to foreign countries and foreign investors. It turns out that when President Bush talks about an ''ownership society'' he means that under his policies, all of our assets will eventually be owned by foreigners.

Our trade deficit has been driven in part by unfair practices overseas, like currency manipulation in China. A number of people have raised concerns about Mr. Paulson's extensive ties to China while working for Goldman Sachs. I hope that those ties will give him the credibility and the negotiating toughness to make much needed progress with the Chinese Government. The Bush administration has talked a good game on getting China to end its unfair currency manipulation, but it has not delivered. To date, the Bush administration's policy has been rhetoric, not action, and on occasion, its excuses for its failures have sounded like the administration was an apologist for China's practice of currency manipulation. Mr. Paulson has to finally get this problem under control.

Mr. Paulson will also need to address the enormous Federal budget deficits and the growing Federal debt. The Bush administration turned a record surplus generated during the Clinton administration into a string of record deficits. President Bush inherited a unified budget surplus of $236 billion from President Clinton, the largest

surplus in American history. Budget surpluses were expected to continue for another 10 years when President Bush took office in January 2001.

By 2002, however, President Bush's policies had helped return the unified Federal budget to a deficit of $158 billion. The budget deficit has since reached historic highs. This year, the budget deficit is expected to exceed $300 billion. Of course, after this President's fiscal nightmare, that is not even a record. President Bush owns them all—$412 billion in 2004, $378 billion in 2003 and $319 billion in 2005.

Our fiscal problems will only grow worse in coming years as the baby boom generation retires.

In the last 5 years, the gross Federal debt has grown by almost $3 trillion. And it will exceed $11.8 trillion by 2011 if we don't do something to change course. And more and more of that debt is owed to people outside the United States. The United States has had to borrow more money from overseas during President Bush's 5 years in office than we borrowed during all previous Presidents combined. By contrast, during the last 3 years of the Clinton administration, the United States paid off more than $200 billion in debt to foreigners.

History is clear that these rising Federal budget deficits will ultimately cause long-term interest rates to increase. These costs are a hidden tax and will appear in the form of higher interest rates on home mortgages, auto loans, credit cards, and other types of consumer debt. As Mr. Paulson stated in his confirmation hearing, the longer we wait to deal with these fiscal challenges, the more expensive it will be to solve them. At the end of the day, it is hard-working families and our grandchildren who will pay the price for the Republicans' fiscal recklessness.

Unfortunately, the majority's fiscal policy, like its policy in Iraq, is more of the same—more of the same tax breaks targeted at multimillionaires, more of the same huge deficits, more of the same rising debt.

We can't just go on this way, placing greater and greater burdens on our children and grandchildren. I hope that the new Secretary of the Treasury will be aggressive in forcing the administration to confront these pressing economic challenges head on, because more of the same just won't cut it.

We need a new direction.

Mr. FRIST. Mr. President, it is my great pleasure to come to the Chamber to express my strong support for the nomination of my good friend, Hank Paulson, someone I admire tremendously, to lead the Department of Treasury. He is an outstanding choice to be the Nation's top economic policy official.

With 32 years of experience in finance, the last 8 of which he has served as president and CEO of Goldman Sachs, which, as we all know, is one of the Nation's largest financial institutions in the world, Hank Paulson is eminently qualified to craft and carry out the President's economic policies. Former Treasury Secretary Bob Rubin, who was also Hank's boss at Goldman Sachs, agrees that he is ''smart, he's bright, he's thoughtful, and he's intense. He's a very good choice.''

Hank will lead with drive, with passion, and a deep understanding of how Government policies affect the capital markets throughout the world as well as America's economic growth. With his detailed and intimate knowledge of global finance and his ability to thrive under pressure, America's economic leadership will be in very capable hands.

Hank Paulson is extraordinarily talented, smart, and hard working. He also happens to be a man of sterling character. Known for his candor and his down-to-earth demeanor, Senator SCHUMER calls Hank a ''straight shooter.'' He has led a life of impeccable integrity.

He grew up on a farm in Illinois. His high marks led him to Dartmouth, where he became a member of Phi Beta Kappa and a football star. He was named All Ivy, All East, and earned an honorable-mention All American. After earning an MBA from Harvard Business School, Hank went into public service as a staff assistant to the Secretary of Defense. In 1974, he joined the Chicago office of Goldman Sachs, where over the next three decades he rose to president and CEO.

Hank understands the macropicture, the global picture, as well as the micropicture, the more intimate, more defined microlevel. He understands the concerns of America's hard-working families and how big decisions here in Washington affect individual lives in a very personal way and in intimate ways and affect those individual opportunities.

He inherits a thriving economy—as cited again and again, a 5.3-percent gross domestic product growth in the first quarter, unemployment at historic lows, 5.3 million new jobs after 33 consecutive months of job gains, and home ownership at historic highs.

He understands that Americans are feeling those challenges in their everyday lives, those challenges of high gas prices, of escalating costs that seem to be skyrocketing out of the average person's reach.

He shares the Republican Party's conviction that we need to continue those progrowth, low-tax policies in order to continue to create jobs and to foster more innovation.

I am confident that under his leadership, America will continue to grow, to thrive, and expand. I look forward to voting to confirm Hank Paulson in a few moments as Secretary of the Treasury and to working with him to keep America moving forward.

At this time, I know of no others who desire to speak on the Paulson nomination, and I urge the Senate to vote.

The PRESIDING OFFICER. If there is no further debate, the question is, Will the Senate advise and consent to the nomination of Henry M. Paulson, Jr., of New York, to be Secretary of the Treasury?

The nomination was confirmed.

Mr. FRIST. Mr. President, as our colleagues know, there will be no further votes today and no rollcall votes today. We will be in session a bit longer as we finish the business over the course of the next little bit. When I close, I will have more to say about the schedule for tomorrow and Friday as well.

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. FRIST. 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. FRIST. Mr. President, I ask unanimous consent that the President be immediately notified of the Senate's action.

## LEGISLATIVE SESSION

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate resume legislative session.

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

## MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

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

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

## OBJECTION TO PROCEEDING TO THE TELECOMMUNICATIONS BILL

Mr. WYDEN. Mr. President, the major telecommunications legislation reported today by the Senate Commerce Committee is badly flawed. The bill makes a number of major changes in the country's telecommunications law, but there is one provision that is nothing more than a license to discriminate. Without a clear policy preserving the neutrality of the Internet and without tough sanctions against those who would discriminate, the Internet will be forever changed for the worse.

This one provision threatens to divide the Internet into technology haves and have-nots. This one provision concentrates even more power in the

hands of the special interests that own the pipelines to the Internet. This one provision codifies discrimination on the Internet by a handful of large telecommunications and cable providers. This one provision will allow large, special interests to saddle consumers and small businesses alike with new and discriminatory fees over and above what they already pay for Internet access. This one small provision is akin to hurling a giant wrecking ball at the Internet.

The inclusion of this provision compels me to state that I will object to a unanimous consent request to the Senate proceeding with this legislation until a provision that provides true Internet neutrality is included.

This bill means the American people will no longer be able to use the Internet free from discrimination. Sure, the time it takes you to access the Web might be slower with dial-up, or you might zoom around the Web at warp speed, but you get to choose the speed. Today, whatever speed you chose doesn't make any difference in which sites you can visit. You still get access to any site you want. This is the beauty and the genius of the Internet. The Net is neutral.

The days of unfettered, unlimited, and free access to any site on the World Wide Web, what I call Net neutrality, are being threatened. Those who own the pipes, the giant cable and phone companies, want to discriminate in which sites you can access. If they get their way, not only will you have to pay more for faster speeds, you will have to pay more for something you get for free today: unfettered access to every site on the World Wide Web. To me, that is discrimination, pure and simple.

The Internet has thrived precisely because it is neutral. It has thrived because consumers, and not some giant cable or phone company, get to choose what they want to see and how quickly they get to see it. I am not going to allow a bill to go forward that is going to end surfing the Web free of discrimination.

The large interests have made it clear that if this bill moves forward, they will begin to discriminate. A Verizon Communications executive has called for an ''end to Google's 'free lunch.'" A Bell South executive has said that he wants the Internet to be turned into a ''pay-for-performance marketplace.'' What they and other cable and phone company executives are proposing is that instead of providing equal access for everyone to the same content at the same price, they will set up sweetheart arrangements to play favorites. Without net neutrality protections, this bill is bad news for consumers and anyone who today enjoys unlimited access to all of the Net's applications, service and content.

There is no doubt in my mind that American consumers and small business will be the losers in this fight if this bill is allowed to move forward. Right now, a computer science major at the University of Oregon is working on the next big thing for the Internet. But she will never get the chance to get the next big thing out there if she cannot pay the big fees that will be charged tomorrow for the same Internet access she gets for free today.

Right now in Pendleton, OR, there is a small family wheat farm where dad is monitoring the fertilizer on their crop via a new Web service program that his son bought. If the network operators have their way, this Web service will get so expensive that it will be out of reach for this family farmer.

As a Senator who has devoted himself to keeping the Internet free from discrimination, from discriminatory taxes and regulations to assuring offline protections apply to online consumer activities as well, I cannot stand by and allow the bill to proceed with this provision. The inclusion of this provision compels me to inform my colleagues that I will object to any unanimous consent request for the Senate to move to consider S. 2686, the Communications Consumer's Choice, and Broadband Deployment Act.

There are other provisions in this legislation, such as the one relating to my proposal for the creation of kids television tiers, that are problematic, but none of them rises to the same level of concern as the one relating to network neutrality. Therefore, I will object to any further action on this telecommunications bill until it includes a strong net neutrality provision that will truly benefit consumers and small business.

Mr. President, Senator GRASSLEY and I have spent over a decade fighting to ensure that when a Senator puts a hold on or blocks a major piece of legislation that there is accountability. We have required, under our proposal, that holds are publicly announced. Because I feel so strongly about this way of approaching holds, I have come to the floor tonight to announce that I intend to object to any unanimous consent request for the United States Senate to move to consider S. 2686, the telecommunications reform legislation that came from the Senate Commerce Committee a bit ago.

The reason I have come to the floor to make this announcement is that I believe this legislation is a license to discriminate on the Internet. Right now, we all know that when you use your browser, you get to go where you want, when you want, how you want. The Internet's special quality is that all content is treated equally. It is my fear that, as a result of this legislation without a clear policy preserving the neutrality of the Internet, and without tough sanctions against those who would discriminate, the Internet will be changed forever against the public interest.

In the beginning of these remarks—and it is my intent to be brief—I compliment Senator STEVENS, Chairman of the Commerce Committee, and Ranking Member INOUYE, with respect to the procedure for how this legislation was considered.

Late last winter I was allowed to come to the Senate Commerce Committee as a former member of the committee and make a presentation with respect to why I thought an Internet free of discrimination was so important. I introduced the first legislation, the Internet Nondiscrimination Act, back in March. Since then I have worked closely with colleagues, particularly Senator SNOWE and Senator DORGAN, who have done such a great job championing an Internet free of discrimination. We have all worked for many months in trying to preserve a free and open Internet.

Unfortunately, despite the valiant work of those two Senators, Senators SNOWE and DORGAN, and with the help of others, particularly Senator CANTWELL, who spoke eloquently about why a free-from-discrimination Internet is so important, they were not successful. So now there is the prospect of major changes in the way the Internet works, changes that will affect millions of businesses and millions of consumers. At a minimum, I believe these changes are so important and mean so much to our country, it ought to be possible for the Senate to slow this down and take the time to consider what the implications are of a badly flawed piece of legislation with respect to its treatment of the Internet.

The failure to include what is called ''Net neutrality'' legislation is failure to keep the principle of keeping the Net free from discrimination. In my view, we run the prospect of dividing the Internet into technology haves and have-nots. What will happen is even more power will be concentrated in the hands of special interests that own the pipelines to the Net. In effect, the legislation codifies discrimination on the Net by giving a green light to a handful of large telecommunications and cable providers to set up what could be a system that will allow for differential treatment.

It means, for example, one small business may get service that won't be as good as another's. That translates, in my view, if it is done by deliberate design on the basis of who can pay, into discrimination.

The failure to include the Net neutrality legislation that Senators DORGAN and SNOWE and I and others have worked on for so long is going to allow the special interests to saddle the startup businesses, the consumers, and the innovators with a variety of new and discriminatory fees over and above what they already pay for Internet access.

In my view, what has happened today, failing to include provisions that keep the Net free of discrimination, is like throwing a huge wrecking ball at this extraordinary telecommunications innovation that we all enjoy, known as the Net. The failure to include this provision compels me to

state this objection to going forward on this legislation because I believe the days of unfettered, unlimited access to any site on the World Wide Web is threatened by this bill as written. Those who own the pipes, the cable companies and the phone companies, will be able to play favorites with respect to the sites that Americans can access.

If they get their way, not only will Americans have to pay more for faster speeds, they will have to pay more for how they use the Internet once they choose what speed to access it by, something they get for free today after they pay their basic access charge. In my view, the Internet has been such a great success precisely because it was free of discrimination. It thrives because the marketplace, consumers, small businesses, and others were able to choose what they wanted to see and how quickly they wanted to see it. So I am not going to let a bill like this go forward because it will end surfing the Web free of discrimination.

The large interests that have backed the legislation have written and have already made clear what their designs are. This is not some kind of atomic secret, Mr. President. There have been lengthy articles in the Wall Street Journal, for example, about pay-to-play. It outlined in great detail all of the ways in which the companies could play favorites, could give a break to a business who had a bit more money, and send somebody else who didn't have the funds off to the second tier. Instead of providing equal access for everyone to the same content at the same price, what we would have are sweetheart arrangements where certain parties would win and other parties would lose. This, in my view, is bad news for consumers and anyone who enjoys unlimited access to all of the Net's applications, services, and content.

Right now, there is a computer science major at the University of Oregon in my home State who is working on the next big thing for the Internet and has great dreams. I am sure that at universities and in garages in Oklahoma, where the Presiding Officer is from, there are constituents who are also working on the next big thing. My concern is that those dreamers in Oklahoma and Oregon, and the innovators and the people with the cutting edge ideas, would not get the chance to get the next big idea out because they would not be able to pay the big fees that Internet providers will charge tomorrow for them to get priority access to consumers or get stuck in the slow lane. Of course, they are going to be up against people, as they fight to show the worth of their idea, who can pay those big fees and have an advantage over them in the marketplace.

What is especially troubling to me, Mr. President, is it seems that if you have an innovative startup in Oregon or Oklahoma or elsewhere in our country, you are going to be up against these new barriers. But guess what? Our competitors around the world don't have the same kind of barriers with. So what I am concerned about is that if you have a good idea in our country, a promising kind of startup, and you run up against all of these hurdles—these new discriminatory hurdles placed on the Internet—you are going to say, what the heck, I cannot compete in that kind of situation, so I will just take the business overseas.

What I want to do—and I know the Senator from Oklahoma wants to do it—is create high-skill, high-wage jobs in our country. We ought to keep the incentives here rather than making it attractive to take promising ideas overseas. I have been involved in a lot of technology issues, and the principle that I have always thought was most important was ensuring that there is no discrimination.

Today, I was very pleased that the Senate Finance Committee accepted my amendment to make permanent the ban on discriminatory and multiple taxes on electronic commerce. We have been at this since 1996. We passed it three times in the Senate, always by large majorities, and I said let's get at it now and make it permanent so that we give predictability and certainty in the marketplace. I was very pleased that, with the support of GRASSLEY and BAUCUS, I was able to win passage of that legislation that involved taxes, ensuring that there was no discrimination in the tax and the electronic commerce areas. I was pleased that it passed.

Unfortunately, what was done today in the Commerce Committee by giving a green light to discriminators undoes a lot of what the Senate has done over the last few years in terms of ensuring nondiscrimination in electronic commerce.

We made sensible decisions in the tax arena because we barred discrimination as it related to taxing electronic commerce. Now the Senate Commerce Committee comes along and says we are going to pass on this Net neutrality issue; we are not going to include it, so now there can be other forms of discrimination on the Net. That makes no sense to me, and it seems particularly ironic today, of all days, as the Senate has been trying to prevent discrimination in the taxation area of electronic commerce, to essentially undo that important policy by allowing unprecedented discrimination in the marketplace.

There is another area I think is worth noting as I object to the consideration of S. 2686. We have heard from a number of those opposed to Net neutrality legislation that there has been no problem, that there are no instances of discrimination. No. 1, that is factually incorrect because there is already a major Federal Communications Commission case, Madison River case, and No. 2, the big telecoms and cable companies have already announced their plans to discriminate. I have described the plans in the Wall Street Journal which are not any kind of hidden effort to sneak something by people. The Wall Street Journal describes the plans for differential treatment.

I note, as we consider this issue, the consequences of discrimination. If those who want to discriminate—and my sense is, by their own admissions, they are going to start very quickly—are able to set in place the discriminatory routers and other equipment that would allow them to treat those small businesses and individuals differently, once those routers and other discriminatory systems are in place, it is going to be very difficult to undo them. They will be embedded in that system of pipes and infrastructure which makes it possible for Americans to enjoy the Net. I am not willing to sit by and let all of those discriminatory routers and other kinds of complicated systems that make up the pipes for the Net go into effect without an opportunity for the Senate to really consider the consequences.

We are talking with respect to this legislation and its absence of strong Net neutrality language, about changing policy that has been the bedrock of the telecommunications field for many years—non-discrimination.

This legislation contains a variety of major changes in the country's telecommunications law. I happen to support many of them. But I will tell the Senate tonight that a communications bill that does not embed, and do it clearly, that the Internet will be free of discrimination is legislation that I believe is badly flawed.

This is a complicated subject. There are differing views on Net neutrality and I am the first to admit it. But I think all sides would agree that this is a complicated issue. It ought to be one the Senate takes the time to really think through. And I will make it clear to the Senate that I, for one, feel so strongly about ensuring telecommunications policy continues to be based on principles that bar discrimination that I am taking this action tonight for purposes of carrying out that objective.

Let me state again, it is my intent to object to any further action on this legislation, S. 2686, until it includes a strong Net neutrality provision that will ensure there is a vibrant, healthy Internet for decades to come.

My colleagues, Senator SNOWE and Senator DORGAN, did a superb job this afternoon in making the case for our point of view. I am very proud to have been able to work with them. The legislation they introduced is very similar to mine. Unfortunately, the Snowe-Dorgan legislation went down on a tie vote in the Commerce Committee today. However, this discussion needs to continue. I hope the Senate will insist that the way the Internet works today, and particularly its egalitarian nature where everybody uses their browser and gets to where they want, when they want, how they want, is continued for generations to come.

Mr. President, I yield the floor.

## TRIBUTE TO ROBERT JULIANO

Mr. DURBIN. Mr. President, I rise today to take note of the 65th birthday of Robert Juliano.

Robert Juliano has spent more time working on Capitol Hill than most Members of Congress. He is a longtime political adviser, labor representative, and champion of philanthropic causes.

He recently received the Sons of Italy in America 2006 Humanitarian Award for his support of charitable causes, including the National Coalition for Breast Cancer, the Lions Club, and the Crusade of Mercy.

I am proud that Bob hails from the city of Big Shoulders, the son of an Italian immigrant. Bob grew up on the West Side of Chicago and worked in that great city's hotel industry in the 1960s and 1970s starting as an elevator operator. From there, he came to Washington, DC, to serve as legislative representative for the Hotel and Restaurant Employees International Union. He served as chairman and vice chairman of the U.S. Government's Travel and Tourism Advisory Board in the 1980s and 1990s. He has worked to protect the health care benefits of retired miners and worked on nearly every major piece of labor legislation over the last 30 years.

It is clear Bob Juliano never forgot his roots. And he never forgot the workers who need a strong voice for their values. One of the reasons Bob has been so successful is his ability to bring people of all political persuasions together to work on the most pressing issues we face. It is a skill that is in great shortage these days.

I wish Bob Juliano well on his 65th birthday.

## HONORING OUR ARMED FORCES

### SPECIALIST BOBBY WEST

Mrs. LINCOLN. Mr. President, I rise today in honor one of our Nation's fallen, Army SPC Bobby West. He died defending this Nation so that others might have the same freedoms we cherish as Americans. For those who knew Specialist West, he will be remembered for the laughter he brought to the lives of those around him. He will also be remembered for acting on his conviction of defending and fighting for the values and liberties we hold so dear as Americans.

At 17, after graduating from Beebe High school, Bobby enlisted with the Arkansas National Guard. Like so many of us, he was deeply affected by the terrorist attacks that took place on September 11, 2001. However, he felt that the burden to defend our country rested squarely on his shoulders and shortly thereafter he enlisted in the Army with his older brother Patrick. Specialist West served our country in Egypt's Sinai Peninsula before being sent to Iraq. Tragically, he was serving his second tour of duty in Iraq and was killed when a roadside bomb detonated while he was on foot patrol with his unit in Baghdad on May 30. His unit was scheduled to leave Iraq in the fall.

I am honored to stand here today and pay tribute to a great soldier and more importantly a loving son, brother and friend. His loved ones remember how much laughter he brought to their lives with his quick wit and sense of humor. His fellow soldiers will remember him not only for the burden he carried with him to defend this Nation and bring freedom to others, but also for the competitiveness he brought to everything he did in life. His fellow soldiers tell the story of the fierce competitiveness he brought to a pickup basketball game while stationed in Egypt. Regardless of the fact that they were playing in a tin building in 125–135 degree heat, Bobby wouldn't let his opponents leave until they could beat him. It is this sense of commitment and dedication that he brought to his military service. He also believed in what he was doing and loved being a soldier. It is people like Bobby West who make our military the strongest in the world.

I am grateful for the service of Bobby West. I am also reminded of the tragic human cost of war and am saddened at the death of another Arkansas soldier. In the words of his brother, Bobby ''was born to defend the greatest Nation on Earth.'' He gave his life defending the greatest Nation on Earth and we owe him and all others who have made that sacrifice an enormous debt of gratitude. Our prayers are with his father Ricky West, his mother Linda Wiggins West, and his older brother Patrick West, and we all pray for the safe return of Patrick who is serving in Iraq with the 101st Airborne Division.

## FLAG DESECRATION AMENDMENT

Mr. REED. Mr. President, yesterday I opposed Senate Joint Resolution 12, which would have created a constitutional amendment allowing Congress to ban desecration of the flag.

As a graduate of the U.S. Military Academy and a former officer in the Army, I am deeply offended when people burn or otherwise abuse this precious national symbol.

I also believe, however, that the values and beliefs that the American flag represents are more important than the cloth from which this symbol was created. Prominent among these beliefs are the right to voice views that are unpopular, and the right to protest. In fact, these fundamental values, preserved by our Constitution, have distinguished our Nation for more than 200 years. The Framers understood that democracy cannot thrive, or even survive, without freedom of expression. Colin Powell has rightfully said, ''The first amendment exists to ensure that freedom of speech and expression applies not just to that with which we agree or disagree, but also that which we find outrageous. I would not amend that great shield of democracy to hammer a few miscreants. The flag will be flying proudly long after they have slunk away.''

I oppose this amendment not because I condone desecration of our flag, but because I celebrate the values our flag represents. Flag burning is despicable. However, the issue is whether we should amend our great charter document, the Constitution, to proscribe it.

In The Federalist, James Madison declared that the Constitution should be amended for ''certain great and extraordinary occasions.'' Except for the prohibition amendments, since the adoption of the Bill of Rights, we have only amended the Constitution for ''great and extraordinary occasions:'' abolishing slavery and giving African Americans the right to vote; extending voting rights to women; and regulating elections and the tenure of the Presidency. Of the 27 amendments, 17 protect individual rights and liberties. In fact, we have never amended the Constitution to constrict rights that other amendments already guarantee.

So are we facing a ''great and extraordinary occasion'' justifying the use of a constitutional amendment? I would argue no.

First, an amendment permitting government restraints on free expression cannot compel loyalty to or love for either our country or our flag. The proposed amendment would pronounce to the world that we value free speech, except when it offends, that we tolerate free expression, except when it is demoralizes.

Second, is this a problem needing such strong medicine? Are we facing an epidemic of flag burnings? In fact, over the past 10 years, only 7 incidents of flag desecration have occurred per year on average, most of which have been successfully prosecuted under laws prohibiting vandalism, theft, disorderly conduct, and disturbance of peace. Indeed, passing such an amendment would probably do more to promote flag burning by malcontents than any other action this Congress could take.

Third, proponents of such an amendment declare that it would boost the morale of our troops and help restore some of the American values so basic to the fabric of our country. But, as one veteran recently wrote, ''I did not believe then, nor do I believe now, that I was defending just a piece of geography, but a way of life. If this amendment becomes a part of our Constitution, this way of life will be diminished.'' I cannot help but believe that a more appropriate expression of support for our troops would be providing them with the equipment they need in the field, better benefits for their families, and an adequately funded medical system at home.

Although I oppose a constitutional amendment, I did support an alternative approach offered by Senator DURBIN. Senator DURBIN's amendment contained two elements. First, it would

have created a statutory prohibition against desecration of our flag. This part of his amendment was drafted to follow the guidance of the 2003 Supreme Court decision in Virginia v. Black, which upheld a Virginia law banning cross burning that is intended to intimidate. The Durbin amendment took a similar approach and prohibited desecration of the flag when it is intended to incite violence. The Durbin amendment also would have promoted respect for families of deceased members of the Armed Forces by prohibiting demonstrations at their funerals. The amendment was narrowly tailored to make these disrespectful demonstrations punishable.

In sum, debating a constitutional amendment on desecration of the flag, although politically popular, is not how the Senate should be spending its few remaining legislative weeks. But this is a campaign year, and the majority appears to want the Senate to spend time on topics which defer and deflect us from concentrating finding solutions to pressing issues facing our Nation: restoring fiscal discipline, creating safe and affordable housing for working families, securing our borders, expanding health insurance coverage to the uninsured, ensuring students have the skills and tools to compete in an ever-expanding global economy, and redeploying our troops as quickly as possible out of Iraq. Unfortunately, the majority has provided limited time to debate most of these issues.

I hope that with the rapidly dwindling number of days left in this session we will work to address the very real concerns that impact American families every day. I fear, however, that this debate is only a harbinger of what is to come and very clearly signals why we need a new direction.

Mr. DORGAN. Mr. President, 17 years ago the U.S. Supreme Court, in a 5-to-4 decision, struck down a Texas flag protection statute. The Supreme Court ruled that burning an American flag was a form of ''speech,'' and therefore protected under the first amendment of the Constitution.

I disagreed with the Court's decision then and I still do. I don't believe that the act of desecrating a flag is an act of speech. And I believe that our flag, as our national symbol, can and should be protected by law.

In the intervening years since the Supreme Court decision, I have supported Federal legislation that would make flag desecration illegal. Yet on several occasions, I have also voted against amendments to the Constitution to do the same.

I voted that way because, while I believe that flag desecration is despicable conduct that should be prohibited by law, I also believe that amending our Constitution is a step that should be taken only rarely, and then only as a last resort.

In the past year I have once again reviewed in detail nearly all of the legal opinions and written materials published by constitutional scholars and courts on all sides of this issue.

After that review, I have concluded that there remains a way to protect our flag without having to alter the Constitution of the United States. That is why I have cosponsored S. 1370, a bipartisan piece of legislation introduced by Senator BENNETT of Utah.

S. 1370 protects the flag by criminalizing flag desecration when its intended purpose is to incite violence. This is the same standard which makes it illegal to falsely cry ''fire'' in a crowded theater. Reckless speech that is likely to cause violence is not protected under the ''fighting words'' standard, long recognized by the Supreme Court of the United States. The Congressional Research Service believes that this type of statute will be upheld by the U.S. Supreme Court.

Last night, I voted for an amendment offered by Senator DURBIN, which incorporates many of the provisions of S. 1370, the bipartisan bill of which I am a cosponsor. The Durbin amendment would also prohibit the disruption of military funerals by demonstrators. This amendment would protect the flag, but do so without altering the Constitution.

I know that supporters of a constitutional amendment will be disappointed by my decision to support this statutory remedy to protect the flag, rather than support an amendment to the U.S. Constitution. I know they are impatient to correct a decision by the Supreme Court that they and I believe was wrong.

I have wrestled with this issue for a long time, and I respect those who passionately believe that we must amend the Constitution to protect the flag.

More than 11,000 constitutional amendments have been proposed since our Constitution was ratified. However, since the ratification of the Bill of Rights in 1791, only 17 amendments have been enacted.

Protecting the American flag can be accomplished without amending the Constitution, and that is a critically important point. I believe that future generations, and our founding fathers, would agree that it is worthwhile for us to find a way to protect our flag without altering the Constitution.

## LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On June 10, 2006, Queens, NY, three gay men were out walking when a group of eight men began shouting antigay slurs at them. The group then surrounded and attacked them, striking one victim in the head with a baseball bat.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

## HEALTHY FAMILIES ACT

Mr. KERRY. Mr. President, today I am proud to cosponsor the Healthy Families Act, S. 932 and S. 1085, introduced by my friend, Senator TED KENNEDY. This legislation will provide full-time employees with up to 7 paid sick days a year so that they can take care of their own medical needs or the medical needs of family members. Part-time employees would receive a prorata amount of paid sick leave. All employers—public and private—with at least 15 employees would be covered by the Healthy Families Act.

Today, 86 million workers in the United States do not have paid sick days. Thus, when faced with either a personal or family medical issue, they are forced to choose between caring for themselves or their loved ones and going to work to keep food on the table and a paycheck in the mail. This is not acceptable. People get sick every day. They should have the right to get medical treatment without jeopardizing their jobs or harming the people around them. The Healthy Families Act would guarantee them that right.

According to Harvard University's Global Working Families Project, 139 nations provide some sort of paid sick days; 177 of those nations guarantee at least a week of annual sick pay. The United States, however, has no such guarantee—the Federal Family and Medical Leave Act provides only unpaid sick leave for serious personal or family illnesses. This lack of paid sick leave puts our Nation's workforce, both present and future, at risk.

As ranking member of the Committee on Small Business and Entrepreneurship, I am extremely conscious of the regulatory burden that our businesses face particularly our small businesses. I believe that government should avoid weighing down small businesses with unnecessary regulations. However, the more I have examined this issue, the more obvious it becomes that this legislation benefits both employees and employers.

It does not take a rocket scientist to figure out that healthy employees are the key to a productive and vibrant economy. Healthy employees are more productive and often more efficient. But, without paid sick days, many employees will go to work rather than take time off to get regular preventative medical checkups or to recover from an attacking illness or to care for

a sick child. Thus, they will get sick more often, and their illnesses will spread. Employees who opt to come to work when sick can make their condition worse or even spread their illness to coworkers. For a business, it is far more costly to cope with a depleted staff or to search for a replacement when an employee is suffering from an extended illness than it is to provide just 7 sick days. Providing employees with a small number of paid sick days is a simple and commonsense fix that will save businesses time and money.

In addition, I have heard—my staff has reported—that small businesses often complain that they want to offer this benefit, but are unable to and need a level playing field. This legislation would offer them just that.

Mr. President, I hope that my colleagues will take a look at the Healthy Families Act and will join me in cosponsoring it.

## SERVICE MARKED BY INTEGRITY, COMPASSION AND DEDICATION

Mr. CRAPO. Mr. President, Ronald Reagan once said ''I know in my heart that man is good. That what is right will always eventually triumph. And there's purpose and worth to each and every life.'' How appropriate that these words reflect the heart and persona of someone who used to work for the Reagans in the White House and who, for the past 2 years, has worked faithfully and tirelessly as my executive assistant.

Mary Klappa met the challenge of the job with excitement and expertise. She brought professionalism and trust to her position. We all depend on our executive assistant to make certain we get where we need to be on time and well prepared, a duty in which she excelled.

Effectively managing a Senator's time is not easy. Frankly, I am glad I don't have to do it. It requires a careful sense of timing and intuition and exacting attention to detail. It also requires someone who, regardless of the demands on their time, is pleasant and helpful to all who call or walk in, regardless of their personality or requests. Mary has been all of these things and more. She carried her phone and Blackberry with her constantly, and I always knew I could call her whenever I needed something. She worked diligently to make sure I met with Idahoans who came to Washington, and she coordinated my State scheduling as well. She has taken exceptional care of my family and was utterly selfless in her commitment to ensure that I conduct my job in the most efficient and responsible manner possible. Her vast knowledge of protocol and her understanding of the nuances and complexities of Washington politics on and off the Hill have been of immeasurable benefit to me.

I will miss her highly dependable and capable management and her kindness and honesty. Mary is a very special person, and I am most honored and grateful for her tremendous service. She made my job easier and, in the process, made me more effective.

I end where I started, with another thought from her former boss, a great and wise man: ''Government is the people's business and every man, woman and child becomes a shareholder with the first penny of tax paid.'' Mary believes this in her soul. She has a heart of service for our country and lives it out in her work and her life. And Idaho and I have been better off for it.

## HONORING THE CONTRIBUTIONS OF SENATOR MALCOLM WALLOP

Mr. THOMAS. Mr. President, I rise today to pay tribute to a true patriot and tireless advocate of the great State of Wyoming, U.S. Senator Malcolm Wallop. I am pleased to be joined by Senator ENZI and Representative CUBIN in this tribute.

Malcolm hails from Big Horn, WY, born into a hard-working family with a long history of public service. Malcolm continued this family tradition by serving in the U.S. Army as a first lieutenant, then in the Wyoming State Legislature from 1969 to 1976. He followed this with a distinguished 18-year career representing the people of the State of Wyoming in the U.S. Senate.

Throughout his tenure in the Senate, Malcolm held true to his convictions—maintaining a strong national defense, a Federal Government that works best when it is smaller, individual liberties and freedoms are the core of our Nation, and States rights must be protected from encroachment by the Federal Government. His unwillingness to compromise his forthright beliefs earned him the respect of his Senate colleagues on both sides of the aisle. Senator LEVIN said about Malcolm:

> While we disagreed, again, probably as often as we agreed, that did not stand in the way of my admiration for the quality, the characteristic that he had of letting you know precisely where he stood and why. And his patriotism is second to none in this body.

His depth of understanding and knowledge on defense policy was widely respected. In 1978, Senator Wallop became the first elected official to propose a space based missile defense system, a program that later became part of the Strategic Defense Initiative. Given the proliferation of new missiles today, it is remarkable how profound his ideas and observations were at the time.

Although Senator Wallop retired from the Senate in 1994, he remains engaged in the debate on key issues confronting our Nation. He is currently a senior fellow with the Heritage Foundation where he writes and speaks on issues of foreign policy and national defense. Malcolm also chairs the Frontiers of Freedom, a nonprofit organization he established upon retiring from the Senate. And he remains a strong and respected voice on individual property rights, Endangered Species Act reform, Social Security privatization and civil liberties.

Malcolm's contributions to Wyoming, and the Nation as a whole, are remarkable. The Wyoming State Legislature recently passed a joint resolution establishing July 8, 2006 as Malcolm Wallop Appreciation Day. With your permission, I will submit the resolution for the RECORD.

He remains an intelligent, articulate individual with incredible foresight. We are pleased to take this moment to express our gratitude to Senator Wallop for his service, and extremely proud to have such a distinguished and respected individual call Wyoming home.

Although many have tried to sum up the man, President Reagan may have said it best when he said, ''Leadership, hard work, experience, loyalty to Wyoming—that's what Malcolm Wallop is all about.''

Mr. President, I ask unanimous consent that the aforementioned resolution be printed in the RECORD.

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

A JOINT RESOLUTION OF THE MEMBERS OF THE FIFTY-EIGHTH LEGISLATURE OF THE STATE OF WYOMING HONORING THE CONTRIBUTIONS OF UNITED STATES SENATOR MALCOLM WALLOP

A joint resolution to commemorate Senator Malcolm Wallop's service and dedication to the people of Wyoming and to proclaim July 8, 2006 as ''Malcolm Wallop Appreciation Day.''

Be it Resolved by the Fifty-Eighth Legislature of the State of Wyoming:

Whereas, this proud son of Sheridan County was born on February 27, 1933, the third generation of a Wyoming pioneer family; his grandfather was a young Englishman named Oliver Henry Wallop, the youngest son of the fifth Earl of Portsmouth, who headed out to the great American West after graduating from Oxford in 1883, buying the Canyon Ranch in Big Horn in 1895, which has remained in the family for four generations; and

Whereas, Malcolm's story ties together a family's commitment to public service across two nations; his grandfather was elected to the Wyoming Legislature in 1910 and helped draft the state's first game and conservation laws; when Oliver's elder brother died in England in 1925, he returned to assume the post of Earl of Portsmouth and served in the British House of Lords, but the Earl never abandoned his love of America, the West and Canyon Ranch, where he remained until his death in 1942; and

Whereas, Malcolm was educated at Big Horn School, Cate School in Carpinteria, California, and attended college at Yale University, earning a Bachelor of Arts degree in 1954; upon graduation from Yale, Malcolm served in the U.S. Army Artillery from 1955 to 1957, as a First Lieutenant; and

Whereas, he returned home to Big Horn after his service to his country and his extensive business career included management of his Wyoming ranch holdings, establishment of a feedlot, and development of oil and gas projects in Nebraska, Montana and Wyoming; in addition, Malcolm has been an active real estate developer and investor; and

Whereas, following in his grandfather's footsteps, Malcolm served in the Wyoming Legislature from 1969 to 1976, serving two terms in the Wyoming House of Representatives where he served on the House Livestock and Agriculture Committee; the House

Game and Fish Committee; the House Travel, Recreation and Wildlife Committee; and the House Corporations, Elections and Political Subdivisions Committee; and one term in the Wyoming Senate, where he served on the Senate Education, Health and Welfare Committee; the Senate Travel, Recreation and Wildlife Committee; and the Senate Transportation and Highways Committee; and

Whereas, he went on to be elected to the United States Senate on November 2, 1976, was reelected on November 2, 1982, and again on November 8, 1988, serving Wyoming in Washington for 18 years, where the Senator distinguished himself through a long and notable record of legislative achievements to mark his three terms in Congress; and

Whereas, during his tenure, Senator Wallop served on numerous committees, including Energy and Natural Resources, Finance, Small Business, Armed Services, Environment and Public Works, the Select Committee on Intelligence, and he was the first non-lawyer in history to serve on the Judiciary Committee; and

Whereas, on the national stage, the Senator may be best remembered for his work related to federal deregulation, states rights, tax reform, energy policy, free trade, national defense, private property rights, and individual liberties and he has earned a national and international reputation related to his expertise on these issues; and

Whereas, Senator Wallop was a great friend to Wyoming throughout his tenure in the United States Congress and his legislative conservation victories include the Wyoming Wilderness Act, which became law in 1984; the Senator was the author of the 1984 Wallop-Breaux Sport Fishing Restoration Act; the designation of the Clark's Fork as a Wild and Scenic River was another piece of legislation he sponsored, as was legislation to repair and upgrade the Buffalo Bill Dam in Cody, as well as safety and repair work at Jackson Lake Dam, Seminole Dam, and Fontenelle Dam; and

Whereas, Senator Wallop achieved many other victories for the state including efforts to stop the congressional Appropriations Committee from requiring that Wyoming share 100 percent of the federal administrative costs for the mineral royalty management programs; he sponsored legislation to provide inheritance tax relief for family businesses and ranches; he sponsored the Energy Policy Act of 1992, which provides for energy development and conservation programs; and he successfully sought to reduce trade barriers in Japan, Taiwan, the European Community, and Brazil for trona exports; and

Whereas, considered one of the nation's most knowledgeable experts on defense policy, when the history of the Cold War is written, a chapter will be devoted to Senator Wallop, so dedicated and determined was he in this arena; in 1978, Senator Wallop was the first elected official to propose a space-based missile defense system, which became part of the Strategic Defense Initiative; throughout the 1980s, Senator Wallop served on both the Senate Arms Control Observer group and the Committee on Security and Cooperation in Europe, also known as the Helsinki Commission; his extensive travel for these responsibilities took him to the Soviet Union, Eastern and Western Europe and the issues of arms control in SALT II, INF, START I and START II were the most complex international relations issues of the era; and

Whereas, an early supporter of volunteerism, Senator Wallop's legislation establishing the Congressional Award program was approved by Congress in 1979, which honors the nation's youth for community service and personal achievements and is the only award given in the name of Congress; the Senator was also responsible for bringing the Close Up program to Wyoming to give young people in Wyoming the opportunity to travel to the nation's Capitol to learn about the democratic process firsthand; and

Whereas, although a listing of the many awards and honors he has received do not do full tribute to the man, his countless honors include the American Conservative Union's John Ashbrook Award and Ronald Reagan Award, the National Energy Resources Organization's National Leadership Award, the Center for Security Policy's ''Keeper of the Flame Award,'' the Congressional Award's Leadership Award, the Fund for American Studies' Congressional Scholarship Award, and Citizens for a Sound Economy's Jefferson Award; and

Whereas, the Senator, who has built a reputation as a tireless promoter of individual freedom and small government, is the founder and chairman of Frontiers of Freedom, a non-profit public policy organization he established in 1995, after retiring from the Senate; and

Whereas, in the best testament of a man's character, his staff speak proudly and fondly of their service under his tutelage; a recurring theme of kindness, humility, and keen intellect runs a thread through recollections of their former boss and friend; one staff member noted, ''I learned more about our state in the few years I worked for him than anyone previously and his love for this state and the Wyoming people was obvious from the first day I began working for him,'' another staff member recalls that the Senator, ''had the incredibly rare ability to look ahead and plan today for what will be needed in the future,'' yet another notes that ''My family often said that we slept better at night knowing that a man like Malcolm Wallop was making decisions for us at the federal level, based on strong and thoughtful values and he did not let the capricious opinion of the day sway him from his reasoned positions;'' and

Whereas, the Senator's Chief of Staff and current Chief Justice of the Wyoming Supreme Court, William Hill, notes, ''Malcolm is a man made of many parts—you first are struck by the warmth and friendliness of his personality, he is a genuine and sincere man, with no artifice about him; he is a man of great honor and dignity, of great kindness and decency; despite his many gifts and accomplishments, he is a man of great humility; his loyalty runs deep and he is a staunch friend, as a public servant, his patriotism is matched only by his abiding love for Wyoming and the people of our state;'' and

Whereas, his colleague in the United States Senate for 16 years, Senator Alan Simpson, remembers him as ''a practical politician, a formidable foe in debate, a friendly companion with friend or foe, a highly articulate spokesman, an avid reader, master of languages, a student, an author, a patriot, a diplomat, a very wise and witty man, and a highly respected U.S. Senator among his peers, always with the best interests of his native state in mind.'' Now therefore, be it

*Resolved,* by the members of the Legislature of the State of Wyoming:

Section 1. That, on behalf of the people of the State of Wyoming, we extend our deepest admiration and gratitude to Senator Malcolm Wallop for his long and distinguished service to our state and our Nation.

Section 2. That we recognize that the strength of our local communities, the success of the State of Wyoming, and the vitality of American society depend upon the dedication of citizens like Senator Wallop, who used his considerable talents to unselfishly serve others and that his contributions will inspire others to continue his tradition of public service.

Section 3. That we hereby designate July 8, 2006 as ''Malcolm Wallop Appreciation Day'' marking and celebrating his election to the United States Senate 30 years ago, a post to which he served admirably; his integrity during his service will be his lasting legacy. Be it further

*Resolved,* that this resolution be transmitted to Senator Wallop on July 8, 2006, so that he may know of our deepest appreciation for his passionate devotion to Wyoming.

## THE DROUGHT AND WATER SITUATION IN NEW MEXICO

Mr. DOMENICI. Mr. President, today I rise to share my concerns about the water crisis that has ravaged the West for more than 5 years.

Water is our most precious and scarce resource. This year, my home State of New Mexico is battling a very real and devastating drought that has expanded throughout most of the Western United States. The ongoing drought continues to break records, and I believe that in years to come, 2006 will be looked at as the year where most basins set new record lows. The question on the minds of New Mexicans is, Will there be enough water to meet the current needs?

Drought is a unique emergency situation because it creeps in unlike other abrupt weather disasters. New Mexico, like many other States in the West, has had little to no precipitation, and our winter snow pack was far below average. Many New Mexico towns, municipalities, and agricultural producers heavily rely on runoff provided by snowpack.

On April 18, 2006, the Texas Agriculture Experiment Station predicted a dramatic decrease in water flows and reservoir storage throughout New Mexico. Early predictions indicate that river water supply will be at 54 percent due primarily to receiving half our annual snowpack and above average temperatures in my State. Additionally, several of our reservoirs are at severely diminished capacity. Specifically, the Elephant Butte, El Vado and Caballo reservoirs are all well below 10 percent of capacity. Earlier this year New Mexico's State engineer, John D'Antonio, correctly predicted that it will be difficult, if not impossible, without really good snowpack to keep the Rio Grande River flowing through the summer.

The drought has exacerbated many of New Mexico's most acute problems. For example, wells are running dry, ranchers are being forced to sell their livestock, farmers are being forced to watch their way of life blow away with the dust, and many of our cities are in various stages of water restriction. Because of a lack of precipitation, many New Mexico communities are running out of water. The disruption to water supplies will have disastrous implications for affected communities. Absent some immediate help, it is unclear where these communities will get water for municipal purposes.

The communities of Ruidoso, Ruidoso Downs, Las Vegas, Capitan,

and Cloudcroft, NM, are already operating under stringent water restrictions. I am happy to say that the fiscal year 2006 supplemental appropriations bill provided $9 million for drought emergency assistance to these and other New Mexico communities that have been especially hard hit by the drought.

The Rio Grande River is another unfortunate example of the water shortages in New Mexico. Water flowing in the Rio Grande provides water to almost a million people living along its banks. New Mexico's largest cities and fastest growing towns are along the Rio Grande—the Pojoaque Valley, Santa Fe, Rio Rancho, Albuquerque, Los Lunas, and Belen.

The drought and the mounting legal requirements on both the Pecos and Rio Grande Rivers are forcing us toward a severe water crisis in New Mexico. Indeed, every river in the intermountain west seems to be facing similar problems. Drought conditions have affected nearly everyone in our States in some way. As I have said many times, we must continue our efforts to stretch existing water supplies and create new water supplies by encouraging increased conservation efforts, a better understanding of available resources, and a more reasoned approach to endangered species and water quality regulations.

America is reaching the extent of our water supply, and we cannot wait to address this problem. I believe we must bring to bear every tool available to confront these problems in the West, and doing so remains one of my top priorities.

The fiscal impacts of drought on individuals, businesses, and governments are not insignificant. According to NOAA, there have been 12 different drought events since 1980 that resulted in damages and costs exceeding $1 billion each. For instance, in 2000, severe drought in the South-Central and Southeastern States caused losses to agriculture and related industries of over $4 billion, and the Eastern drought in 1999 led to $1 billion in losses.

While drought affects the economic and environmental well-being of the entire Nation, the United States lacks a cohesive strategy for dealing with serious drought emergencies. The current state of the drought should prompt us to take action. Better planning on our part could limit some of the damage felt by drought. I believe that passage of the National Integrated Drought Information System Act of 2006, S. 2751, is a good start. Without a national drought policy in place, we constantly live with the uncertainty of what next year will bring.

The past several days have brought some precipitation in places, but it alone will not be enough. These are difficult times, and all we can hope for is help where we can get it. I want to make the Senate aware of the difficulties we are experiencing in my home state because of the prolonged drought and the hot, dry, windy conditions, and as their Senator, I continue to ask for help on their behalf. As this drought persists, I want to ensure each New Mexican that I am committed to doing everything possible to make sure they have the tools and resources they need to help cope during this very difficult time.

## ADDITIONAL STATEMENTS

### TRIBUTE TO PEG SAGEN

• Mr. THUNE. Mr. President, today I wish to recognize the retirement of Peg Sagen. Peg has spent the last 11 years as editor of the Rapid City Journal, the largest newspaper in western South Dakota. On behalf of the Rapid City community and the State of South Dakota, I take this opportunity to thank Peg for her service and her commitment to quality journalism.

Peg began her career in the newspaper industry over 30 years ago. She has been dedicated to providing her readers with timely and accurate news. Peg has used her talent to assure that the citizens in the Rapid City and surrounding communities received the news in a fair and unbiased manner. In addition, she is known throughout the Rapid City area as a philanthropist. We are all grateful for her service to the newspaper industry and to the community.

It gives me great pleasure to commemorate the retirement of Peg Sagen and to wish her the best in the years to come.•

### RECOGNITION OF ECONOMIC EDUCATION ACHIEVEMENTS

• Mr. AKAKA. Mr. President, I am proud to recognize the achievements of several individuals from Hawaii who have excelled in an area of great interest to me, economic education.

I wish to recognize the students from Iolani High School in Honolulu, HI, who won the 2006 National Economics Challenge in New York City. They are the first team ever to win the national competition 2 years in a row. Seniors Bryce Aisake Atkinson, Megan Chock, Dean Ushijima, and Sumil Thapa, coached by their teacher, COL Richard Rankin, beat more than 1,000 teams from 35 States to win the Economics Challenge championship in the Adam Smith Division. Hawaii's State-level competition was sponsored by the Hawaii Council on Economic Education, which has done a wonderful job in fostering economic education in Hawaii. The national competition was sponsored by the National Council on Economic Education and the Goldman Sachs Foundation. I am very pleased to know that Hawaii is producing such high-quality young people knowledgeable about economics.

As the economy is intricately tied to the welfare of our Nation, economic and financial literacy is vital to ensuring our country's future. I have been very active in promoting economic and financial literacy in the United States. For example, I have introduced several pieces of legislation including the Mutual Fund Transparency Act, the College Literacy in Finance and Economics Act and the enacted Excellence in Economic Education Act. As the economy grows increasingly complex, everyone needs to be able to make informed financial decisions which will greatly impact their financial well-being.

We must strive to educate all sectors of society about financial literacy, especially our young people, so that they grasp essential concepts such as the importance of saving, budgeting, maintaining good credit histories, and applying economic principles to daily decisions. Our Nation's future is in our children hands. I am proud to extend my sincere congratulations and appreciation to the Iolani Economics Team for their hard work and dedication.•

### RECOGNITION OF EXCELLENCE IN CREATIVE MEDIA

• Mr. AKAKA. Mr. President, it gives me great pleasure and pride to announce that students from Waianae High School, on the Island of Oahu, recently won the National Television Academy's National Student Television Award in the sports category. Waianae High School's Searider Productions was one of only seven school-based production operations from across the United States to be honored.

The National Student Television Awards are sponsored by the National Television Academy, which is dedicated to the advancement of the arts and sciences in television. The academy is best known for recognizing excellence in television programming through its coveted Emmy Awards. In its purpose statement, the academy states that it is committed to promoting excellence in broadcasting through education and inspiring the next generation of broadcast journalists.

I recognize the following four Waianae students who produced the excellent news piece: Katie Hoppe, Priscilla Mathewson, James Kapu-Kaaihue, and Justine Campos. Submissions for this competition were held to professional standards for high-quality journalism as well as creativity, execution, and strong writing. The special presentation of sports news that these students produced, entitled ''A Paddle Through Time,'' far exceeded professional standards.

I also take a moment to recognize Searider Productions, the multimedia education program of Waianae High School, which nurtured these excellent students. This innovative program offers the opportunity for talented students to gain workplace experience while developing their artistic and academic skills. Over the course of a few

years, Searider Productions has produced incredible work and has garnered an enormous number of accolades. From highly acclaimed public service announcements to an update of an online voting Web site, the work Searider Productions has performed is outstanding.

As a former teacher and principal, I take pride in seeing students from Hawaii receive national recognition. I know that it is because of school and parental support, dedication, and commitment that these students excelled in this area. These four students have made their families, school, and community proud. I look forward to seeing the future productions by the excellent students of Waianae High School and its Searider Productions.●

## DON BURTENSHAW: COMMUNITY SERVANT AND STATESMAN

● Mr. CRAPO. Mr. President, I pay tribute today to a very special Idahoan. Don Burtenshaw, a farmer and rancher from Terreton, is retiring from the Idaho State Senate after serving five terms representing the 35th district. Having served in the Idaho State Legislature myself, I can attest to the work that this public office entails, and I would be pleased to be honoring him today if just for that. But Don's accomplishments and influence in and around Jefferson County went far beyond a seat in the State legislature.

Don is an active member of his church and owns Burtenshaw Cattle Company. He served as a partner in the Rexburg Livestock Auction, Salmon Livestock Auction, and the Bozeman Livestock Auction. According to the West Jefferson Lions Club, who has awarded Don its prestigious Spirit of Service Award this year, his long and selfless service to the community has touched the lives of many youth and adults alike. Don served on the Jefferson County districts 251 and 253 school boards for 24 years. He also served on the board of directors for the Owsley Canal.

Over the years, he has placed particular emphasis on the children of Jefferson County. And I am sure that with the time saved from having to drive to Boise 2 or 3 months a year, he will be able to focus more on the youth in his own family, including 38 grandchildren, with another coming very soon, and 23 great grandchildren.

I congratulate Don on his dedication to his fellow Idahoans, and Susan and I wish him well as he leaves State-level public service. I am certain his public commitment will continue in other ways at home in eastern Idaho.●

## HONORING CHARLES WHITEPIPE, SR.

● Mr. JOHNSON. Mr. President, today I wish to honor and recognize a true hero and a great American. Charles I. Whitepipe, Sr., of Gregory, SD, passed into the spirit world at 7 on Monday evening. Mr. Whitepipe, a Sicangu Lakota from the Rosebud tribe, valiantly served in the Army as a codetalker in World War II. He served as a ''Forward Observer'' on Japanese-held islands in the South Pacific, communicating by radio with a ship-based partner, using the Lakota language to direct artillery fire from ships at sea onto the islands.

During World War II, about a dozen known Sioux Indians were Army radio operators who used their native Lakota, Nakota and Dakota dialects to transmit strategic messages to foil enemy surveillance in both the Pacific and European theaters. There is no doubt that the bravery and the courage of Mr. Whitepipe and the other codetalkers helped to make the United States the free and proud place it is today. While Navajos have received the most recognition, it is important to remember that members of at least 17 other tribes also served as codetalkers in World War I and World War II.

The syntax and tonal qualities of the native languages were so complex that no message transmitted by any codetalker was ever decoded by the enemy. However, for the codetalkers who returned home there were no parades or special recognition, as they were sworn to secrecy, an oath they kept and honored, but one that robbed them of the accolades and place in history that they rightfully deserved.

The accomplishments of the codetalkers were even more heroic, given the cultural context in which they were operating. Subjected to alienation in their homeland and discouraged from speaking their native languages, they still stepped forward and developed the most significant and successful military code of their time. That spirit of military service continues today. Native Americans make up a higher percentage of servicemen and servicewomen in the armed forces than any other ethnic group in America. They have served with honor in all of America's wars, beginning with the Revolutionary War and on through our current operations in Iraq.●

## HONORING MERRY TRUDEAU

● Mr. CRAIG. Mr. President, today I wish to recognize Merry Trudeau, a longtime employee of the Internal Revenue Service in Idaho.

Merry started with the IRS in 1976 in the collection division holding various positions, quickly advancing from clerical to Revenue representative to Revenue officer. She then advanced to problem resolution officer, which was the predecessor to the taxpayer advocate. This turned out to be Merry's true calling, and it is where my staff and I got to know her well.

All of us work with our constituents on a daily basis to help resolve issues with the IRS. Having a helpful, energetic, pleasant person at the IRS to work with makes our job so much easier. Merry is that person. She knows her job well and she consistently seeks to serve Idahoans well. For that I am grateful.

On behalf of the hundreds, if not thousands, of Idahoans Merry has helped, I say thank you. Merry, we wish you the best in your next endeavor, knowing you will continue to serve your neighbors and community well.●

## 125TH ANNIVERSARY OF THE FOUNDING OF BATH, SOUTH DAKOTA

● Mr. JOHNSON. Mr. President, today I pay tribute to the 125th anniversary of the founding of the community of Bath, SD. After 125 years, this progressive community will have a chance to reflect on its past and future, and I congratulate the people of Bath for all that they have accomplished.

Bath is located in northeast South Dakota, within Brown County. The area that now makes up Bath Township was first settled by a trapper named Theodore A. Chose in 1878. As early as 1881, religious services were held by a Presbyterian clergyman from Watertown, and the first building, a hotel, was erected. In 1882 the Bath school district was organized, and by 1884, the civil township was organized along the same lines as the school district.

Today, Bath has come a long way from the days when several general stores and lumber yards made up the sum total of commerce. The town now boasts a variety of businesses, including those in both the services and manufacturing sectors. It also offers a variety of employment opportunities both within the township and in nearby Aberdeen, the metro area closest to Bath.

Bath has grown into a credit to Brown County and to the State of South Dakota. The people of Bath celebrated their achievements June 24–25. I am proud to join with the community members of Bath in celebrating the last 125 years and looking forward to a promising future.●

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

## EXECUTIVE MESSAGES REFERRED

In executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

### ENROLLED BILLS SIGNED

At 2:20 p.m., a message from the House of Representatives, delivered by

Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 5403. An act to improve protections for children and to hold States accountable for the safe and timely placement of children across State lines, and for other purposes.

H.R. 5603. An act to temporarily extend the programs under the Higher Education Act of 1965, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. STEVENS)

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At 3:30 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 42. An act to ensure that the right of an individual to display the flag of the United States on residential property not be abridged.

H.R. 4843. An act to increase, effective as of December 1, 2006, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.

H.R. 4973. An act to restore the financial solvency of the national flood insurance program, and for other purposes.

H.R. 5341. An act to amend section 5313 of title 31, United States Code, to reform certain requirements for reporting cash transactions, and for other purposes.

## MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 42. An act to ensure that the right of an individual to display the flag of the United States on residential property not be abridged; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 4843. An act to increase, effective as of December 1, 2006, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5341. An act to amend section 5313 of title 31, United States Code, to reform certain requirements for reporting cash transactions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

## MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4973. An act to restore the financial solvency of the national flood insurance program, and for other purposes.

## MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3590. A bill to amend title XIX of the Social Security Act to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–7354. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Bombardier Model BD–100–1A10 Airplanes'' ((RIN2120–AA64)(Docket No. 2006–NM–034)), received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7355. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Empresa Brasileira de Aeronautica S.A. Model EMB–120, –120ER, –120FC, –120QC, and –120RT Airplanes in Operation'' ((RIN2120–AA64)(Docket No. 2006–NM–021)), received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7356. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A310–200 and –300 Series Airplanes'' ((RIN2120–AA64)(Docket No. 2005–NM–231)), received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7357. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Honeywell International Inc. ALF502L Series and ALF502R Series Turbofan Engines'' ((RIN2120–AA64)(Docket No. 92–ANE–34)), received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7358. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operation Regulations; Massalina Bayou, Panama City, FL'' (RIN1625–AA09) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7359. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Anchorage Regulations; Port of New York and Vicinity'' (RIN1625–AA01) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7360. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Area; East Rockaway Inlet to Atlantic Beach Bridge, Nassau County, Long Island, New York'' (RIN1625–AA11) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7361. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Safety Zones (including 2 regulations): [CGD13–06–009], [COTP Charleston 06–003]'' (RIN1625–AA00) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7362. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operation Regulations; Chelsea River, Chelsea, MA'' (RIN1625-AA09) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7363. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations (including 4 regulations): [CGD05-06-020], [CGD05-06-024], [CGD05-06-023], [CGD05-06-015]'' (RIN1625-AA08) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7364. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Safety Zones (including 5 regulations): [CGD09-06-024], [COTP Guam 06-008], [COTP Charleston 06-003], [CGD09-06-029], [CGD05-06-051]'' (RIN1625-AA00) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7365. A communication from the Chief, Regulations and Administrative Law, United States Coast Guard, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Security Zones (including 2 regulations): [CGD05-06-052], [CGD05-06-052]'' (RIN1625-AA87) received on June 18, 2006; to the Committee on Commerce, Science, and Transportation.

EC–7366. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Hazardous Waste and Used Oil; Corrections to Errors in the Code of Federal Regulations'' (FRL No . 8188-2) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7367. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans: Alabama; Open Burning Revision'' (FRL No. 8187-1) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7368. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Missouri'' (FRL No. 8188-6) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7369. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Kansas'' (FRL No. 8188-4) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7370. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Extension of Site-Specific Regulations for University Laboratories XL Project'' (FRL No. 8186-3) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7371. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Kentucky; Redesignation of the Boyd County SO2 Nonattainment Area; Correction'' (FRL No. 8187-4) received on June 22, 2006; to the Committee on Environment and Public Works.

EC–7372. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Missouri'' (FRL No. 8189-2) received on June 22, 2006; to the Committee on Environment and Public Works.

EC–7373. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Oregon: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL No. 8188-8) received on June 18, 2006; to the Committee on Environment and Public Works.

EC–7374. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Protections for Subjects in Human Research; Nursing Women'' (FRL No. 8071-6) received on June 22, 2006; to the Committee on Environment and Public Works.

EC–7375. A communication from the Senior Vice President and Chief Financial Officer, Federal Home Loan Bank of New York, transmitting, pursuant to law, the Bank's 2005 management report; to the Committee on Banking, Housing, and Urban Affairs.

EC–7376. A communication from the President and Chief Executive Officer, Federal Home Loan Bank of Seattle, transmitting, pursuant to law, the Bank's 2005 management report; to the Committee on Banking, Housing, and Urban Affairs.

EC–7377. A communication from Assistant Secretary, Investment Management/Office of Regulatory Policy, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Fund of Funds Investments'' (RIN 3235-AJ17) received on June 22, 2006; to the Committee on Banking, Housing, and Urban Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SHELBY, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 3589. An original bill to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes (Rept. No. 109-271).

S. 811. A bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the birth of Abraham Lincoln.

By Mr. GRASSLEY, from the Committee on Finance, without amendment:

S. 3569. A bill to implement the United States-Oman Free Trade Agreement.

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mr. GRASSLEY for the Committee on Finance.

*Henry M. Paulson, Jr., of New York, to be Secretary of the Treasury.

By Mr. ENZI for the Committee on Health, Education, Labor, and Pensions.

*Jonann E. Chiles, of Arkansas, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2008.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. CARPER:

S. 3587. A bill to reduce temporarily the duty on certain footwear with coated or laminated textile fabrics; to the Committee on Finance.

By Mr. DURBIN (for himself and Ms. MIKULSKI):

S. 3588. A bill to amend the Public Health Service Act to authorize capitation grants to increase the number of nursing faculty and students, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SHELBY:

S. 3589. An original bill to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. AKAKA (for himself, Mr. BINGAMAN, Mrs. MURRAY, Ms. CANTWELL, Mr. LAUTENBERG, Mr. INOUYE, Mr. KERRY, and Mr. DURBIN):

S. 3590. A bill to amend title XIX of the Social Security Act to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program; read the first time.

By Mr. JEFFORDS (for himself, Ms. SNOWE, Mr. LAUTENBERG, Mr. CHAFEE, Mrs. BOXER, Mrs. FEINSTEIN, Mrs. CLINTON, Mr. LIEBERMAN, and Mr. OBAMA):

S. 3591. A bill to improve efficiency in the Federal Government through the use of high-performance green buildings, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. MURRAY (for herself, Mr. DURBIN, Mr. OBAMA, and Mr. SALAZAR):

S. 3592. A bill to appropriate $160,500,000 for the Department of Veterans Affairs to improve security for personal data of veterans and other persons held by the Department of Veterans Affairs and to provide remedial assistance to veterans and other persons who have had personal data stolen from the Department of Veterans Affairs; to the Committee on Appropriations.

By Mr. KENNEDY (for himself, Mr. DODD, Ms. MIKULSKI, Mr. SCHUMER, Mr. HARKIN, Mrs. CLINTON, and Mr. LIEBERMAN):

S. 3593. A bill to amend the Higher Education Act of 1965 to provide additional support to students; to the Committee on Finance.

By Mrs. BOXER:

S. 3594. A bill to help protect the public against the threat of attacks targeting nuclear power plants; to the Committee on Homeland Security and Governmental Affairs.

By Ms. COLLINS (for herself, Mr. LIEBERMAN, and Mr. CARPER):

S. 3595. A bill to amend the Homeland Security Act of 2002 to establish the United States Emergency Management Authority, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GREGG (for himself and Mr. SUNUNU):

S. Con. Res. 107. A concurrent resolution congratulating Donald Andrew Hall for his selection by the Librarian of Congress as the 14th Poet Laureate of the United States and for his great accomplishments in prose and essays focusing on New England rural living, baseball, and how work conveys meaning to ordinary life; to the Committee on the Judiciary.

## ADDITIONAL COSPONSORS

S. 330

At the request of Mr. ENSIGN, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 330, a bill to amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

S. 472

At the request of Mr. LEAHY, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 472, a bill to criminalize Internet scams involving fraudulently obtaining personal information, commonly known as phishing.

S. 932

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 932, a bill to provide for paid sick leave to ensure that Americans can address their own health needs and the health needs of their families.

S. 1085

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1085, a bill to provide for paid sick leave to ensure that Americans can address their own health needs and the health needs of their families.

S. 1321

At the request of Mr. SANTORUM, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 1321, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communications.

S. 1353

At the request of Mr. REID, the name of the Senator from Delaware (Mr.

CARPER) was added as a cosponsor of S. 1353, a bill to amend the Public Health Service Act to provide for the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1603

At the request of Ms. SNOWE, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1603, a bill to establish a National Preferred Lender Program, facilitate the delivery of financial assistance to small businesses, and for other purposes.

S. 1687

At the request of Ms. MIKULSKI, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1687, a bill to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers.

S. 1864

At the request of Mr. TALENT, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 1864, a bill to amend the Internal Revenue Code of 1986 to treat certain farming business machinery and equipment as 5-year property for purposes of depreciation.

S. 1934

At the request of Mr. SPECTER, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 1934, a bill to reauthorize the grant program of the Department of Justice for reentry of offenders into the community, to establish a task force on Federal programs and activities relating to the reentry of offenders into the community, and for other purposes.

S. 2388

At the request of Mr. VOINOVICH, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 2388, a bill to establish a National Commission on the Infrastructure of the United States.

S. 2566

At the request of Mr. LUGAR, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 2566, a bill to provide for coordination of proliferation interdiction activities and conventional arms disarmament, and for other purposes.

S. 2585

At the request of Mr. SMITH, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2585, a bill to amend the Internal Revenue Code of 1986 to permit military death gratuities to be contributed to certain tax-favored accounts.

S. 2644

At the request of Mrs. FEINSTEIN, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 2644, a bill to harmonize rate setting standards for copyright licenses under sections 112 and 114 of title 17, United States Code, and for other purposes.

S. 2663

At the request of Mr. DODD, the names of the Senator from Arkansas (Mrs. LINCOLN), the Senator from New York (Mr. SCHUMER), and the Senator from Minnesota (Mr. COLEMAN) were added as cosponsors of S. 2663, a bill to amend the Public Health Service Act to establish grant programs to provide for education and outreach on newborn screening and coordinated followup care once newborn screening has been conducted, to reauthorize programs under part A of title XI of such Act, and for other purposes.

S. 2918

At the request of Mr. DURBIN, his name was added as a cosponsor of S. 2918, a bill to provide access to newspapers for blind or other persons with disabilities.

S. 3500

At the request of Mr. THOMAS, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 3500, a bill to amend title XVIII of the Social Security Act to protect and preserve access of Medicare beneficiaries in rural areas to health care providers under the Medicare program, and for other purposes.

S. 3519

At the request of Mr. HATCH, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 3519, a bill to reform the State inspection of meat and poultry in the United States, and for other purposes.

S. 3521

At the request of Mr. GREGG, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 3521, a bill to establish a new budget process to create a comprehensive plan to rein in spending, reduce the deficit, and regain control of the Federal budget process.

S. CON. RES. 96

At the request of Mr. BROWNBACK, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. Con. Res. 96, a concurrent resolution to commemorate, celebrate, and reaffirm the national motto of the United States on the 50th anniversary of its formal adoption.

S. RES. 507

At the request of Mr. BIDEN, the names of the Senator from Maine (Ms. COLLINS), the Senator from Arkansas (Mr. PRYOR), and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. Res. 507, a resolution designating the week of November 5 through November 11, 2006, as ''National Veterans Awareness Week'' to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. RES. 508

At the request of Mr. BIDEN, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. Res. 508, a resolution designating October 20, 2006 as ''National Mammography Day''.

S. RES. 513

At the request of Mr. GRAHAM, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. Res. 513, a resolution expressing the sense of the Senate that the President should designate the week beginning September 10, 2006, as ''National Historically Black Colleges and Universities Week''.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself and Ms. MIKULSKI):

S. 3588. A bill to amend the Public Health Service Act to authorize capitation grants to increase the number of nursing faculty and students, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I would request the Chair to inform me when I have used 6 minutes of the 10 minutes I have requested.

We have a lot of bipartisan battles in the Senate. I am going to try to bring an issue to the consideration of the Senate and to their attention which I believe is very bipartisan. It affects the State of Alaska, the State of North Dakota, the State of Illinois, and the State of Maine. It affects us all. What I am speaking to is the shortage of nurses in America.

We face a critical shortage of nurses. The U.S. Department of Health and Human Services looked at all of the licensed nurses and found that in the year 2000, this country was 110,000 nurses short of what was necessary to provide adequate health care. By 2005, the shortage had doubled to 219,000 nurses. By 2020, we will be more than 1 million nurses short of what is necessary to maintain quality health care in America.

To avoid this shortage which the Department of Health and Human Services projects, we have to substantially increase the number of nursing graduates and those entering the workforce each year. Just to replace the nurses who are retiring, we need to increase student enrollment by at least 40 percent. The baseline supply for nurses—as you can see on this chart—in our country, for the current time and through the year 2020, is on a steady downward flow, whereas demand goes up dramatically. If we had 90 percent more nursing graduates, we still would not reach the projected demand in America as baby boomers reach the point where they need help and many others need quality nursing.

The problem is that there are not enough teachers at schools of nursing. That is what it comes down to. Last year, nursing schools across America denied admission to 35,000 qualified students because there just weren't enough teachers.

In my home State of Illinois, schools of nursing are denying qualified students admittance because of the shortage of teachers. This is an indication

here. These are B.A. and graduate nursing programs in Illinois. These are the enrollees and these are the numbers turned away. As you can see, from the year 2002 to the present time, we are up to 2000 potential nursing graduates who are turned away each year despite their qualifications because, sadly, we can't keep up with teaching them.

The American Association of Colleges of Nursing surveyed more than 400 schools of nursing this last year. Two-thirds of the schools, represented by the blue part of this pie chart—69 percent reported vacancies on their faculty. An additional 15 percent said that they were fully staffed but still needed more faculty.

Statistics paint a bleak picture for the availability of nursing faculty now and into the future. Take a look at the age of full-time nursing faculty across America. Unfortunately, that reflects an older population now teaching in our nursing schools, soon to retire. The median age of a doctoral-prepared nursing faculty member in America is 52. The average age of retirement for faculty is 62. It is expected that 200 to 300 doctorally prepared faculty will be eligible for retirement each year from 2005 to 2012, reducing even more the faculty available to train the nurses we need.

We think help should be on the way, and it should start in the Senate. Our leader on the Democratic side of the aisle is Senator BARBARA MIKULSKI of Maryland. She has been the strong voice for nurses as long as she has served in the Senate. I am happy today to join her in introducing the Nurse Education Expansion and Development Act. The Act would provide schools of nursing with grants to hire and retain new faculty, purchase educational equipment, enhance clinical laboratories and expand and repair infrastructure. This bill would also require the Government Accountability Office, the GAO, to report on ways to increase participation in the nurse faculty profession.

Nurses care for our kids, our grandkids, our parents—people whom we love. We know the difference they make in everyone's life and increasingly we are noticing the difference when we do not have enough nurses, these dedicated men and women, when we need them the most. We must take deliberate action now to solve this critical health care problem. I urge all my colleagues on both sides of the aisle to support this Mikulski-Durbin legislation. I think this is an important step in the direction toward quality health care for generations to come.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3588

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Nurse Education, Expansion, and Development Act of 2006''.

**SEC. 2. FINDINGS.**

The Congress finds as follows:

(1) While the Nurse Reinvestment Act (Public Law 107–205) helped to increase applications to schools of nursing by 175 percent, schools of nursing have been unable to accommodate the influx of interested students because they have an insufficient number of nurse educators. It is estimated that—

(A) in the 2005–2006 school year—

(i) 66 percent of schools of nursing had both 1 to 16 vacant faculty positions and needed additional faculty; and

(ii) an additional 15.7 percent of schools of nursing needed additional faculty, but lacked the resources needed to add more positions; and

(B) 41,683 eligible candidates were denied admission to schools of nursing in 2005, primarily due to an insufficient number of faculty members.

(2) A growing number of nurses with doctoral degrees are choosing careers outside of education. Over the last few years, there has been a 12 percent increase in doctoral nursing graduates seeking employment outside the education profession.

(3) The average age of nurse faculty at retirement is 62.5 years. With the average age of doctorally-prepared professors currently at 57.5 years, a wave of retirements is expected within the next 10 years.

(4) Master's and doctoral programs in nursing are not producing a large enough pool of potential nurse educators to meet the projected demand for nurses over the next 10 years. While graduations from master's and doctoral programs in nursing rose by 10.5 percent and 1.5 percent, respectively, in the 2005–2006 school year, projections still demonstrate a shortage of nurse faculty. Given current trends, there will be at least 2,616 unfilled faculty positions in 2012.

(5) According to the November 2005 Monthly Labor Review from the Bureau of Labor Statistics, more than 1,200,000 new and replacement nurses will be needed by 2014.

**SEC. 3. CAPITATION GRANTS TO INCREASE THE NUMBER OF NURSING FACULTY AND STUDENTS.**

(a) GRANTS.—Part D of title VIII of the Public Health Service Act (42 U.S.C. 296p) is amended by adding at the end the following:

**''SEC. 832. CAPITATION GRANTS.**

''(a) IN GENERAL.—For the purpose described in subsection (b), the Secretary, acting through the Health Resources and Services Administration, shall award a grant each fiscal year in an amount determined in accordance with subsection (c) to each eligible school of nursing that submits an application in accordance with this section.

''(b) PURPOSE.—A funding agreement for a grant under this section is that the eligible school of nursing involved will expend the grant to increase the number of nursing faculty and students at the school, including by hiring new faculty, retaining current faculty, purchasing educational equipment and audiovisual laboratories, enhancing clinical laboratories, repairing and expanding infrastructure, or recruiting students.

''(c) GRANT COMPUTATION.—

''(1) AMOUNT PER STUDENT.—Subject to paragraph (2), the amount of a grant to an eligible school of nursing under this section for a fiscal year shall be the total of the following, as determined by the Secretary:

''(A) Not to exceed $1,800 for each full-time or part-time student who is enrolled at the school in a graduate program in nursing that—

''(i) leads to a master's degree, a doctoral degree, or an equivalent degree; and

''(ii) prepares individuals to serve as faculty through additional course work in education and ensuring competency in an advanced practice area.

''(B) Not to exceed $1,405 for each full-time or part-time student who—

''(i) is enrolled at the school in a program in nursing leading to a bachelor of science degree, a bachelor of nursing degree, a graduate degree in nursing if such program does not meet the requirements of subparagraph (A), or an equivalent degree; and

''(ii) has not more than 3 years of academic credits remaining in the program.

''(C) Not to exceed $966 for each full-time or part-time student who is enrolled at the school in a program in nursing leading to an associate degree in nursing or an equivalent degree.

''(2) LIMITATION.—In calculating the amount of a grant to a school under paragraph (1), the Secretary may not make a payment with respect to a particular student—

''(A) for more than 2 fiscal years in the case of a student described in paragraph (1)(A) who is enrolled in a graduate program in nursing leading to a master's degree or an equivalent degree;

''(B) for more than 4 fiscal years in the case of a student described in paragraph (1)(A) who is enrolled in a graduate program in nursing leading to a doctoral degree or an equivalent degree;

''(C) for more than 3 fiscal years in the case of a student described in paragraph (1)(B); or

''(D) for more than 2 fiscal years in the case of a student described in paragraph (1)(C).

''(d) ELIGIBILITY.—For purposes of this section, the term 'eligible school of nursing' means a school of nursing that—

''(1) is accredited by a nursing accrediting agency recognized by the Secretary of Education;

''(2) has a passage rate on the National Council Licensure Examination for Registered Nurses of not less than 80 percent for each of the 3 school years preceding submission of the grant application; and

''(3) has a graduation rate (based on the number of students in a class who graduate relative to, for a baccalaureate program, the number of students who were enrolled in the class at the beginning of junior year or, for an associate degree program, the number of students who were enrolled in the class at the end of the first year) of not less than 80 percent for each of the 3 school years preceding submission of the grant application.

''(e) REQUIREMENTS.—The Secretary may award a grant under this section to an eligible school of nursing only if the school gives assurances satisfactory to the Secretary that, for each school year for which the grant is awarded, the school will comply with the following:

''(1) The school will maintain a passage rate on the National Council Licensure Examination for Registered Nurses of not less than 80 percent.

''(2) The school will maintain a graduation rate (as described in subsection (d)(3)) of not less than 80 percent.

''(3)(A) Subject to subparagraphs (B) and (C), the first-year enrollment of full-time nursing students in the school will exceed such enrollment for the preceding school year by 5 percent or 5 students, whichever is greater.

''(B) Subparagraph (A) does not apply to the first school year for which a school receives a grant under this section.

''(4) Not later than 1 year after receipt of the grant, the school will formulate and implement a plan to accomplish at least 2 of the following:

''(A) Establishing or significantly expanding an accelerated baccalaureate degree nursing program designed to graduate new nurses in 12 to 18 months.

''(B) Establishing cooperative intradisciplinary education among schools of nursing with a view toward shared use of technological resources, including information technology.

''(C) Establishing cooperative interdisciplinary training between schools of nursing and schools of allied health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public health, or veterinary medicine, including training for the use of the interdisciplinary team approach to the delivery of health services.

''(D) Integrating core competencies on evidence-based practice, quality improvements, and patient-centered care.

''(E) Increasing admissions, enrollment, and retention of qualified individuals who are financially disadvantaged.

''(F) Increasing enrollment of minority and diverse student populations.

''(G) Increasing enrollment of new graduate baccalaureate nursing students in graduate programs that educate nurse faculty members.

''(H) Developing post-baccalaureate residency programs to prepare nurses for practice in specialty areas where nursing shortages are most severe.

''(I) Increasing integration of geriatric content into the core curriculum.

''(J) Partnering with economically disadvantaged communities to provide nursing education.

''(K) Expanding the ability of nurse managed health centers to provide clinical education training sites to nursing students.

''(5) The school will submit an annual report to the Secretary that includes updated information on the school with respect to student enrollment, student retention, graduation rates, passage rates on the National Council Licensure Examination for Registered Nurses, the number of graduates employed as nursing faculty or nursing care providers within 12 months of graduation, and the number of students who are accepted into graduate programs for further nursing education.

''(6) The school will allow the Secretary to make on-site inspections, and will comply with the Secretary's requests for information, to determine the extent to which the school is complying with the requirements of this section.

''(f) REPORTS TO CONGRESS.—The Secretary shall evaluate the results of grants under this section and submit to the Congress—

''(1) not later than 18 months after the date of the enactment of this section, an interim report on such results; and

''(2) not later than the end of fiscal year 2009, a final report on such results.

''(g) APPLICATION.—To seek a grant under this section, a school nursing shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the costs of carrying out this section (except the costs described in paragraph (2)), there are authorized to be appropriated $75,000,000 for fiscal year 2007, $85,000,000 for fiscal year 2008, and $95,000,000 for fiscal year 2009.

''(2) ADMINISTRATIVE COSTS.—For the costs of administering this section, including the costs of evaluating the results of grants and submitting reports to the Congress, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2007, 2008, and 2009.''.

(b) GAO STUDY.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study and submit a report to the Congress on ways to increase participation in the nurse faculty profession.

(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall include the following:

(A) A discussion of the master's degree and doctoral degree programs that are successful in placing graduates as faculty in schools of nursing.

(B) An examination of compensation disparities throughout the nursing profession and compensation disparities between higher education instructional faculty generally and higher education instructional nursing faculty.

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By Mr. JEFFORDS (for himself, Ms. SNOWE, Mr. LAUTENBERG, Mr. CHAFEE, Mrs. BOXER, Mrs. FEINSTEIN, Mrs. CLINTON, Mr. LIEBERMAN, and Mr. OBAMA):

S. 3591. A bill to improve efficiency in the Federal Government through the use of high-performance green buildings, and for other purposes; to the Committee on Environment and Public Works,

Mr. JEFFORDS. Mr. President, it is with great pleasure that I rise today to introduce the High-Performance Green Buildings Act of 2006. This bipartisan bill will go far to further expand Federal green building initiatives and ensure our Federal buildings and schools are safe, efficient and good for the environment.

I would like to thank all of the bill's cosponsors for working with me in a bipartisan manner to introduce this important legislation and implore my colleagues to join us in moving this legislation forward. Not only will this bill improve Federal building efficiency and employee health and productivity, it also demonstrates the leadership of the Federal Government on high-performance green buildings. This bill seeks to codify existing green building initiatives outlined in memorandums of understanding or executive orders, and further enhances ongoing green building programs all across the Federal Government, including the White House. I commend the past and current leadership of the White House Office of the Federal Environmental Executive for all they have done within the administration.

Preliminary studies are showing that high-performance green buildings generate huge savings in utility costs due to their efficient operating systems. These studies have also demonstrated that high-performance green buildings provide a healthier work environment for the occupants, resulting in fewer absences due to illness. This in turn increases worker productivity and ensures fewer health related costs. All of these savings are generated, while sustaining very little impact on surrounding environments.

According to the Department of Energy, throughout the United States buildings account for 39 percent of total energy use, 70 percent of electricity consumption, 38.1 percent of greenhouse gas emissions, and 30 percent of raw materials use. The Environmental Protection Agency reports that building related construction and demolition debris account for nearly 37 percent of the total nonindustrial waste, generating 136 million tons of waste in a single year. Building occupants also consume 12 percent of potable water consumption. Why not build buildings that strive to conserve our precious resources, reduce the harmful pollutants that are damaging to the environment and utilize recycled building materials?

In an era of great security concern, green buildings have reduced energy requirements and may use renewable sources of energy that are off the electricity grid. Green buildings also use less water and some even collect rainwater to use throughout the building. Should there be a terrorist act that damages or destroys our Nation's resources, these buildings could assist in keeping our government up and running.

There is no downside to utilizing high-performance buildings. This initiative is taking off in the private sector. According to the U.S. Green Building Council, there are 500 certified green buildings across the United States with 3,000 in the pipeline. This legislation would ensure that the Federal Government is keeping pace with the real world and doing its part to protect the environment and provide a safe workplace for its employees.

In my home State of Vermont, environmental quality and economic opportunity are inextricably linked and green buildings are a visible representation of this connection. The design, construction, and functioning of green buildings will not only enhance environmental quality, worker productivity, and student learning, but will also contribute to the enhancement of a new economy. Environmental technologies and applications represent a new value added area of economic growth that is both efficient and effective.

The Federal Government can learn from progressive policies being implemented in the private sector, State government and our Nation's universities. For example, the University of Vermont, understanding the positive environmental, economic, and human resources benefits, recently adopted a green building policy for its campus that would ensure that all new construction and major renovations be at the certified level of the U.S. Green Building Council's, USGBC, Leadership in Energy and Environmental Design, LEED, green building rating system. This policy is both responsible and affordable.

In the 108th Congress, I introduced S. 2620, the High-Performance Green Buildings Act of 2004. This new bill updates that earlier version and includes a few new provisions. This legislation will coordinate the efforts within the

Federal Government to promote high-performance green buildings, provide public outreach, and expand existing research.

The General Services Administration, GSA, is the largest civilian landlord in the United States, with over 8,900 buildings in their current inventory. This legislation creates an office within GSA to oversee the green building efforts of agencies within the government. The GSA is a natural leader to focus on our Federal buildings and ensure that they are safe, healthy, and efficient. The GSA is working to provide quality work environments for Federal workers through green initiatives and is currently conducting research on how best to increase workplace effectiveness and occupant comfort. This bill will strengthen what they have already started.

The bill creates a green building advisory committee to advise the office within GSA. The committee will be comprised of key representatives from each relevant agency, State, and local governments, green building associations, experts within the building community, and environmental health experts for both adults and children. This committee will enable the Federal Government to stay up to date with technology and the latest advancements to ensure that high-performance green buildings operate with the maximum efficiency and provide a healthier environment for their occupants.

In addition, research efforts will be expanded to focus on buildings and the impact their systems have on human health and worker productivity. We just don't know enough about the impact of the built environment on its occupants. Take natural daylight for instance. Studies are showing that a simple thing like exposure to daylight actually makes employees more productive and reduces absences due to illness. I would like to pursue this further, as well as an indoor air quality program for all Federal facilities. We need to not only ensure the safety of working employees for existing buildings, but also during construction and renovation of facilities.

The High-Performance Green Buildings Act also requires that a good hard look be taken at the budget process we have used for years and explore ways to improve the approval process for government projects. We need to grow with the times and ensure that our budget process allows us to take full advantage of life-cycle costing. This means that we allow our financial experts to factor in savings that green buildings generate over time, and not just look at the upfront cost of a building. It has been documented that high-performance green buildings recover any initial upfront costs from incorporating efficient systems within the first few years of operation. The average life of a Federal building is over 50 years. In the times of soaring budget deficits, it is imperative the Federal Government pursue all cost-saving options.

High-performance green buildings are not just for Federal buildings, but involve any type of building, including schools. This legislation focuses on providing healthier, more efficient school facilities for our children. The Government Accountability Office reported years ago that over 14 million children have their health affected by poor conditions in schools. The Healthy Schools Network is now reporting 32 million children are at high risk of getting sick from their school facility. It is unacceptable to stand by and let the Nation's children become ill from preventable causes. This bill takes a modest step forward and provides $10 million in grants to state and local education agencies for technical assistance and the implementation of Environmental Protection Agency's, EPA, programs to address environmental conditions of our schools like the Tools for Schools Program and the Healthy Schools Environmental Assessment Tool, Healthy SEAT. The bill will help schools develop plans to focus on the design, construction, and renovation of school facilities, and look at systematic improvements for school siting, indoor air quality, reducing contaminants, and other health issues. This legislation also encourages research to study the effects these systems are having on student health and productivity. Our children deserve to learn in an environment that is safe and conducive to learning.

This bill will also promote leadership within the Federal Government by requiring all new construction and acquisition be green, that leases for Federal employees be energy efficient facilities and include green design features, and that guidelines be issued on how to best renegotiate existing leases to adopt these principles. Leadership is also promoted through Federal incentives for government agencies to build high-performance green buildings, as well as expanding the monitoring of each Federal agency's performance in meeting green building requirements and initiatives. It also creates a clearinghouse to keep individuals and entities, including the Federal Government, informed on the information and services that the office would provide.

Finally, by supporting this legislation, we will advance our understanding of green building technologies and implications and simultaneously advance our society. We have the capacity. This legislation provides the Federal leadership to convert our academic buildings to integral components of the curriculum rather than to just facilities that house programs. As learning centers and demonstration facilities, these green buildings will be an example to all of us to be environmentally responsible citizens.

I strongly encourage your support of the High-Performance Green Buildings Act of 2006 and ask unanimous consent that the text of the High-Performance Green Buildings Act of 2006 be printed in the RECORD, as well as the attached letters of support for the bill.

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

S. 3591

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''High-Performance Green Buildings Act of 2006''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—OFFICE OF HIGH-PERFORMANCE GREEN BUILDINGS

Sec. 101. Oversight.
Sec. 102. Office of High-Performance Green Buildings.
Sec. 103. Green Building Advisory Committee.
Sec. 104. Public outreach.
Sec. 105. Research and development.
Sec. 106. Budget and life-cycle costing and contracting.
Sec. 107. Authorization of appropriations.

TITLE II—HEALTHY HIGH-PERFORMANCE SCHOOLS

Sec. 201. Definitions.
Sec. 202. Grants for healthy school environments.
Sec. 203. Federal guidelines for siting of school facilities.
Sec. 204. Environmental health program.
Sec. 205. Authorization of appropriations.

TITLE III—STRENGTHENING FEDERAL LEADERSHIP

Sec. 301. Incentives.
Sec. 302. Federal procurement.
Sec. 303. Federal green building performance.

TITLE IV—DEMONSTRATION PROJECT

Sec. 401. Coordination of goals.
Sec. 402. Authorization of appropriations.

**SEC. 2. DEFINITIONS.**

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) COMMITTEE.—The term ''Committee'' means the Green Building Advisory Committee established under section 103(a).

(3) DIRECTOR.—The term ''Director'' means the individual appointed to the position established under section 101(a).

(4) FEDERAL FACILITY.—

(A) IN GENERAL.—The term ''Federal facility'' means any building or facility the intended use of which requires the building or facility to be—

(i) accessible to the public; and

(ii) constructed or altered by or on behalf of the United States.

(B) EXCLUSIONS.—The term ''Federal facility'' does not include a privately-owned residential or commercial structure that is not leased by the Federal Government.

(5) HIGH-PERFORMANCE GREEN BUILDING.—The term ''high-performance green building'' means a building that, during its life-cycle—

(A) reduces energy, water, and material resource use;

(B) improves indoor environmental quality including, reducing indoor pollution, improving thermal comfort, and improving lighting and acoustic environments that affect occupant health and productivity;

(C) reduces negative impacts on the environment throughout the life-cycle of the building, including air and water pollution and waste generation;

(D) increases the use of environmentally preferable products, including biobased, recycled content, and nontoxic products with lower life-cycle impacts;

(E) increases reuse and recycling opportunities;

(F) integrates systems in the building;

(G) reduces the environmental and energy impacts of transportation through building location and site design that support a full range of transportation choices for users of the building; and

(H) considers indoor and outdoor effects of the building on human health and the environment, including—

(i) improvements in worker productivity;

(ii) the life-cycle impacts of building materials and operations; and

(iii) other factors that the Office considers to be appropriate.

(6) LIFE-CYCLE.—The term ''life-cycle'', with respect to a high-performance green building, means all stages of the useful life of the building (including components, equipment, systems, and controls of the building) beginning at conception of a green building project and continuing through site selection, design, construction, landscaping, commissioning, operation, maintenance, renovation, deconstruction or demolition, removal, and recycling of the green building.

(7) LIFE-CYCLE ASSESSMENT.—The term ''life-cycle assessment'' means a comprehensive system approach for measuring the environmental performance of a product or service over the life of the product or service, beginning at raw materials acquisition and continuing through manufacturing, transportation, installation, use, reuse, and end-of-life waste management.

(8) LIFE-CYCLE COSTING.—The term ''life-cycle costing'', with respect to a high-performance green building, means a technique of economic evaluation that—

(A) sums, over a given study period, the costs of initial investment (less resale value), replacements, operations (including energy use), and maintenance and repair of an investment decision; and

(B) is expressed—

(i) in present value terms, in the case of a study period equivalent to the longest useful life of the building, determined by taking into consideration the typical life of such a building in the area in which the building is to be located; or

(ii) in annual value terms, in the case of any other study period.

(9) OFFICE.—The term ''Office'' means the Office of High-Performance Green Buildings established under section 102(a).

## TITLE I—OFFICE OF HIGH-PERFORMANCE GREEN BUILDINGS

### SEC. 101. OVERSIGHT.

(a) IN GENERAL.—The Administrator shall establish within the General Services Administration, and appoint an individual to serve as Director in, a position in the career-reserved Senior Executive service, to—

(1) establish and manage the Office in accordance with section 102; and

(2) carry out other duties as required under this Act.

(b) COMPENSATION.—The compensation of the Director shall not exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

### SEC. 102. OFFICE OF HIGH-PERFORMANCE GREEN BUILDINGS.

(a) ESTABLISHMENT.—The Director shall establish within the General Services Administration an Office of High-Performance Green Buildings.

(b) DUTIES.—The Director shall—

(1) ensure full coordination of high-performance green building information and activities within the General Services Administration and all relevant agencies, including, at a minimum—

(A) the Environmental Protection Agency;

(B) the Office of the Federal Environmental Executive;

(C) the Office of Federal Procurement Policy;

(D) the Department of Energy;

(E) the Department of Health and Human Services;

(F) the Department of Defense; and

(G) such other Federal agencies as the Director considers to be appropriate;

(2) establish a senior-level Federal green building advisory committee, which shall provide advice and recommendations in accordance with section 103;

(3) identify and biennially reassess improved or higher rating standards recommended by the Committee;

(4) establish a national high-performance green building clearinghouse in accordance with section 104, which shall provide green building information through—

(A) outreach;

(B) education; and

(C) the provision of technical assistance;

(5) ensure full coordination of research and development information relating to high-performance green building initiatives under section 105;

(6) identify and develop green building standards that could be used for all types of Federal facilities in accordance with section 105;

(7) establish green practices that can be used throughout the life of a Federal facility;

(8) review and analyze current Federal budget practices and life-cycle costing issues, and make recommendations to Congress, in accordance with section 106; and

(9) complete and submit the report described in subsection (c).

(c) REPORT.—Not later than 2 years after the date of enactment of this Act, and biennially thereafter, the Director shall submit to Congress a report that—

(1) describes the status of the green building initiatives under this Act and other Federal programs in effect as of the date of the report, including—

(A) the extent to which the programs are being carried out in accordance with this Act; and

(B) the status of funding requests and appropriations for those programs;

(2) identifies within the planning, budgeting, and construction process all types of Federal facility procedures that inhibit new and existing Federal facilities from becoming high-performance green buildings as measured by—

(A) a silver rating, as defined by the Leadership in Energy and Environmental Design Building Rating System standard established by the United States Green Building Council (or an equivalent rating); or

(B) an improved or higher rating standard, as identified by the Committee;

(3) identifies inconsistencies, as reported to the Committee, in Federal law with respect to product acquisition guidelines and high-performance product guidelines;

(4) recommends language for uniform standards for use by Federal agencies in environmentally responsible acquisition;

(5) in coordination with the Office of Management and Budget, reviews the budget process for capital programs with respect to alternatives for—

(A) restructuring of budgets to require the use of complete energy- and environmental-cost accounting;

(B) using operations expenditures in budget-related decisions while simultaneously incorporating productivity and health measures (as those measures can be quantified by the Office, with the assistance of universities and national laboratories);

(C) permitting Federal agencies to retain all identified savings accrued as a result of the use of life-cycle costing for future high-performance green building initiatives; and

(D) identifying short- and long-term cost savings that accrue from high-performance green buildings, including those relating to health and productivity;

(6) identifies green, self-sustaining technologies to address the operational needs of Federal facilities in times of national security emergencies, natural disasters, or other dire emergencies;

(7) summarizes and highlights development, at the State and local level, of green building initiatives, including executive orders, policies, or laws adopted promoting green building (including the status of implementation of those initiatives); and

(8) includes, for the 2-year period covered by the report, recommendations to address each of the matters, and a plan for implementation of each recommendation, described in paragraphs (1) through (6).

(d) IMPLEMENTATION.—The Office shall carry out each plan for implementation of recommendations under subsection (c)(7).

### SEC. 103. GREEN BUILDING ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Director shall establish a committee to be known as the ''Green Building Advisory Committee''.

(b) MEMBERSHIP.—The Committee shall be composed of representatives of, at a minimum—

(1) each agency referred to in section 102(b)(1); and

(2) other relevant entities, as determined by the Director, including at least 1 representative of each of the following:

(A) State and local governmental green building programs.

(B) Independent green building associations or councils.

(C) Building experts, including architects, material suppliers, and construction contractors.

(D) Security advisors focusing on national security needs, natural disasters, and other dire emergency situations.

(E) Children and adult environmental health experts.

(c) MEETINGS.—The Director shall establish a regular schedule of meetings for the Committee, which shall convene a minimum of 6 times each year.

(d) DUTIES.—The Committee shall provide advice and expertise for use by the Director in carrying out the duties under this Act, including such recommendations relating to Federal activities carried out under sections 104 through 106 as are agreed to by a majority of the members of the Committee.

(e) FACA EXEMPTION.—The Committee shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

### SEC. 104. PUBLIC OUTREACH.

The Director, in coordination with the Committee, shall carry out public outreach to inform individuals and entities of the information and services available Government-wide by—

(1) establishing and maintaining a national high-performance green building clearinghouse, including on the Internet, that—

(A) identifies existing similar efforts and coordinates activities of common interest; and

(B) provides information relating to high-performance green buildings, including

hyperlinks to Internet sites that describe the activities, information, and resources of—

(i) the Federal Government;

(ii) State and local governments;

(iii) the private sector (including nongovernmental and nonprofit entities and organizations); and

(iv) international organizations;

(2) identifying and recommending educational resources for implementing high-performance green building practices, including security and emergency benefits and practices;

(3) providing access to technical assistance on using tools and resources to make more cost-effective, energy-efficient, health-protective, and environmentally beneficial decisions for constructing high-performance green buildings, particularly tools available to conduct life-cycle costing and life-cycle assessment;

(4) providing information on application processes for certifying a high-performance green building, including certification and commissioning; and

(5) providing technical information, market research, or other forms of assistance or advice that would be useful in planning and constructing high-performance green buildings; and

(6) using such other methods as are determined by the Director to be appropriate.

**SEC. 105. RESEARCH AND DEVELOPMENT.**

(a) ESTABLISHMENT.—The Director, in coordination with the Committee, shall—

(1)(A) survey existing research and studies relating to high-performance green buildings; and

(B) coordinate activities of common interest;

(2) develop and recommend a high-performance green building research plan that—

(A) identifies information and research needs, including the relationships between health, occupant productivity, and each of—

(i) pollutant emissions from materials and products in the building;

(ii) natural day lighting;

(iii) ventilation choices and technologies;

(iv) heating, cooling, and system control choices and technologies;

(v) moisture control and mold;

(vi) maintenance, cleaning, and pest control activities;

(vii) acoustics; and

(viii) other issues relating to the health, comfort, productivity, and performance of occupants of the building; and

(B) promotes the development and dissemination of high-performance green building measurement tools that, at a minimum, may be used—

(i) to monitor and assess the life-cycle performance of facilities (including demonstration projects) built as high-performance green buildings; and

(ii) to perform life-cycle assessments;

(3) assist the budget and life-cycle costing functions of the Office under section 106;

(4) study and identify potential benefits of green buildings relating to security, natural disaster, and emergency needs of the Federal Government; and

(5) support other research initiatives determined by the Office.

(b) INDOOR AIR QUALITY.—The Director, in consultation with the Committee, shall develop and implement a comprehensive indoor air quality program for all Federal facilities to ensure the safety of Federal workers and facility occupants—

(1) during new construction and renovation of facilities; and

(2) in existing facilities.

**SEC. 106. BUDGET AND LIFE-CYCLE COSTING AND CONTRACTING.**

(a) ESTABLISHMENT.—The Director, in coordination with the Committee, shall—

(1) identify, review, and analyze current budget and contracting practices that affect achievement of high-performance green buildings, including the identification of barriers to green building life-cycle costing and budgetary issues;

(2) develop guidance and conduct training sessions with budget specialists and contracting personnel from Federal agencies and budget examiners to apply life-cycle cost criteria to actual projects;

(3) identify tools to aid life-cycle cost decisionmaking; and

(4) explore the feasibility of incorporating the benefits of green buildings, such as security benefits, into a cost-budget analysis to aid in life-cycle costing for budget and decision making processes.

**SEC. 107. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated to carry out this title $4,000,000 for each of fiscal years 2007 through 2012, to remain available until expended.

## TITLE II—HEALTHY HIGH-PERFORMANCE SCHOOLS

**SEC. 201. DEFINITIONS.**

In this title:

(1) HIGH-PERFORMANCE SCHOOL.—The term ''high-performance school'' has the meaning given the term ''healthy, high-performance school building'' in section 5586 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7277e).

(2) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(3) STATE EDUCATIONAL AGENCY.—The term ''State educational agency'' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

**SEC. 202. GRANTS FOR HEALTHY SCHOOL ENVIRONMENTS.**

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Education and the Secretary of Health and Human Services, may provide grants to State and local educational agencies for use in—

(1) providing technical assistance for programs of the Environmental Protection Agency (including the Tools for Schools Program and the Healthy School Environmental Assessment Tool) to schools for use in addressing environmental issues; and

(2) development of State school environmental quality plans, in partnership with the Environmental Protection Agency, that include—

(A) standards for healthy high-performance school building design, construction, and renovation;

(B) identification of ongoing school building environmental problems in the State, including assessment of information on the exposure of children to environmental hazards in school facilities, as provided by the Administrator of the Environmental Protection Agency;

(C) proposals for the systematic improvement (including benchmarks and timelines) of environmental conditions in schools throughout the State, including—

(i) school building siting, construction, and maintenance;

(ii) indoor air quality;

(iii) pest control;

(iv) radon contamination;

(v) lead contamination;

(vi) environmentally preferable purchasing of products for classroom instruction and for maintenance;

(vii) hazard identification and remediation; and

(viii) modes of transportation available to students and staff;

(D) recommendations for improvements in the capacity of the State to track child and adult health complaints relating to schools; and

(E) plans for operation as an emergency, self-sustaining evacuation center.

(b) OTHER GRANTS.—The Administrator of the Environmental Protection Agency may provide grants to qualified, nonprofit organizations to assist in community and public education on healthy school environments.

(c) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of a project or activity carried out using funds from a grant under subsection (a) shall not exceed 90 percent.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of a project or activity carried out using funds from a grant under subsection (a) may be provided in the form of cash or in-kind goods and services.

(d) GRANT PRIORITY.—

(1) IN GENERAL.—In providing grants under this section for use in carrying out the program referred to in subsection (a)(1), the Administrator of the Environmental Protection Agency, in consultation with the Secretary of Education, shall give priority to school districts with need for environmental improvement as identified in the school environmental plans described in this section.

(2) RESPONSIBILITY OF SCHOOL DISTRICTS AND STATE EDUCATIONAL AGENCIES.—

(A) SCHOOL DISTRICTS.—Not later than 2 years after the date of enactment of this Act, and annually thereafter, each school district that receives funds from the Administrator of the Environmental Protection Agency to carry out a program described in subsection (a) shall submit to the State educational agency with jurisdiction over the school district a report that includes—

(i) a list of schools in the districts that, as of the date of the report, have accepted funds or other assistance from the Environmental Protection Agency for use in carrying out this section; and

(ii) an overview of the impact of the funds, including—

(I) general data regarding measures of student health and attendance rates before and after grant intervention; and

(II) descriptions of toxic or hazardous cleaning, maintenance, or instructional products eliminated or reduced in use as part of the promotion or remediation of the indoor air quality of schools within the school district; and

(iii) basic information on the potential influence of other factors (such as the installation of carpet and HVAC systems and similar activities) on air quality.

(B) STATE EDUCATIONAL AGENCY REPORTS.—Not later than 180 days after the date on which each State educational agency has received the annual reports under subparagraph (A) from all participating school districts, the State educational agency shall submit to the Administrator of the Environmental Protection Agency and Congress a consolidated report of all information received from the school districts.

**SEC. 203. FEDERAL GUIDELINES FOR SITING OF SCHOOL FACILITIES.**

The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall develop school site selection guidelines that account for—

(1) the special vulnerability of children to hazardous substances or pollution exposures in any case in which the potential for contamination at a potential school site exists, as determined by the Administrator of the Environmental Protection Agency, in consultation with the Secretary of Education;

(2) modes of transportation available to students and staff; and

(3) the potential use of a school at the site as an emergency shelter.

**SEC. 204. ENVIRONMENTAL HEALTH PROGRAM.**

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Education, the Secretary of Health and Human Services, and other relevant agencies, shall issue guidelines for use by the State in developing and implementing an environmental health program for schools that—

(1) takes into account the status and findings of Federal research initiatives established under this Act and other relevant Federal law with respect to school facilities, including relevant updates on trends in the field, such as the impact of school facility environments on student and staff—

(A) health, safety, and productivity; and

(B) disabilities or special needs;

(2) provides research using relevant tools identified or developed in accordance with section 105 to quantify the relationships between—

(A) human health, occupant productivity, and student performance; and

(B) with respect to school facilities, each of—

(i) pollutant emissions from materials and products;

(ii) natural day lighting;

(iii) ventilation choices and technologies;

(iv) heating and cooling choices and technologies;

(v) moisture control and mold;

(vi) maintenance, cleaning, and pest control activities;

(vii) acoustics; and

(viii) other issues relating to the health, comfort, productivity, and performance of occupants of the school facilities;

(3) provides technical assistance on siting, design, management, and operation of school facilities, including facilities used by students with disabilities or special needs;

(4) collaborates with federally funded pediatric environmental health centers to assist in on-site school environmental investigations;

(5) assists States and the public in better understanding and improving the environmental health of children; and

(6) provides to the Office a biennial report of all activities carried out under this title, which the Director shall include in the report described in section 102(c).

(b) PUBLIC OUTREACH.—The Director shall ensure, to the maximum extent practicable, that the public clearinghouse established under section 104 receives and makes available—

(1) information from the Administrator of the Environmental Protection Agency that is contained in the report described in subsection (a)(6); and

(2) information on the exposure of children to environmental hazards in school facilities, as provided by the Administrator of the Environmental Protection Agency.

**SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

There is authorized to be appropriated to carry out this title $10,000,000 for the period of fiscal years 2007 through 2012, to remain available until expended.

## TITLE III—STRENGTHENING FEDERAL LEADERSHIP

**SEC. 301. INCENTIVES.**

As soon as practicable after the date of enactment of this Act, the Director shall identify incentives to encourage the use of green buildings and related technology in the operations of the Federal Government, including through—

(1) the provision of recognition awards; and

(2) the maximum feasible retention of financial savings in the annual budgets of Federal agencies for use in reinvesting in future green building initiatives.

**SEC. 302. FEDERAL PROCUREMENT.**

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Director of the Office of Federal Procurement Policy, in consultation with the Director and the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall promulgate revisions of the applicable acquisition regulations, to take effect as of the date of promulgation of the revisions—

(1) to direct any Federal procurement executives involved in the acquisition, construction, or major renovation (including contracting for the construction or major renovation) of any facility—

(A) to employ integrated design principles;

(B) to improve site selection for environmental and community benefits;

(C) to optimize building and systems energy performance;

(D) to protect and conserve water;

(E) to enhance indoor environmental quality; and

(F) to reduce environmental impacts of materials and waste flows; and

(2) to direct Federal procurement executives involved in leasing buildings, to give preference to the lease of facilities that—

(A) are energy-efficient; and

(B) to the maximum extent practicable, have applied contemporary high-performance and sustainable design principles during construction or renovation.

(b) GUIDANCE.—Not later than 90 days after the date of promulgation of the revised regulations under subsection (a), the Director shall issue guidance to all Federal procurement executives providing direction and instructions to renegotiate the design of proposed facilities, renovations for existing facilities, and leased facilities to incorporate improvements that are consistent with this section.

**SEC. 303. FEDERAL GREEN BUILDING PERFORMANCE.**

(a) IN GENERAL.—Not later than October 31 of each of the 2 fiscal years following the fiscal year in which this Act is enacted, and at such times thereafter as the Comptroller General of the United States determines to be appropriate, the Comptroller General of the United States shall, with respect to the fiscal years that have passed since the preceding report—

(1) conduct an audit of the implementation of this Act; and

(2) submit to the Office, the Committee, the Administrator, and Congress a report describing the results of the audit.

(b) CONTENTS.—An audit under subsection (a) shall include a review, with respect to the period covered by the report under subsection (a)(2), of—

(1) budget, life-cycle costing, and contracting issues, using best practices identified by the Comptroller General of the United States and heads of other agencies in accordance with section 106;

(2) the level of coordination among the Office, the Office of Management and Budget, and relevant agencies;

(3) the performance of the Office in carrying out the implementation plan;

(4) the design stage of high-performance green building measures;

(5) high-performance building data that were collected and reported to the Office; and

(6) such other matters as the Comptroller General of the United States determines to be appropriate.

(c) CONSULTATION.—The Director shall consult with the Committee to enhance and assist the implementation of the Environmental Stewardship Scorecard announced at the White House Summit on Federal sustainable buildings in January 2006, to measure the implementation by each Federal agency of sustainable design and green building initiatives.

## TITLE IV—DEMONSTRATION PROJECT

**SEC. 401. COORDINATION OF GOALS.**

(a) IN GENERAL.—The Director shall establish guidelines to implement a demonstration project to contribute to the research goals of the Office.

(b) PROJECTS.—In accordance with guidelines established by the Director under subsection (a) and the duties of the Director described in title I, the Director shall carry out—

(1) for each of fiscal years 2008 through 2013, 1 demonstration project in a Federal building selected by the Director in accordance with relevant agencies and described in subsection (c)(1), that—

(A) provides for the evaluation of the information obtained through the conduct of projects and activities under this Act; and

(B) achieves a platinum rating, as defined by the Leadership in Energy and Environmental Design Building Rating System standard established by the United States Green Building Council (or equivalent rating); and

(2) no fewer than 4 demonstration projects at 4 universities, that, as competitively selected by the Director in accordance with subsection (c)(2), have—

(A) appropriate research resources and relevant projects to meet the goals of the demonstration project established by the Office; and

(B) the ability—

(i) to serve as a model for high-performance green building initiatives, including research and education;

(ii) to identify the most effective ways to use high-performance green building and landscape technologies to engage and educate undergraduate and graduate students;

(iii) to effectively implement a high-performance green building education program for students and occupants;

(iv) to demonstrate the effectiveness of various high-performance technologies in each of the 4 climatic regions of the United States described in subsection (c)(2)(B); and

(v) to explore quantifiable and nonquantifiable beneficial impacts on public health and employee and student performance.

(c) CRITERIA.—

(1) FEDERAL FACILITIES.—With respect to the existing or proposed Federal facility at which a demonstration project under this section is conducted, the Federal facility shall—

(A) be an appropriate model for a project relating to—

(i) the effectiveness of high-performance technologies;

(ii) analysis of materials, components, systems, and emergency operations in the building, and the impact of those materials, components, and systems, including the impact on the health of building occupants;

(iii) life-cycle costing and life-cycle assessment of building materials and systems; and

(iv) location and design that promote access to the Federal facility through walking, biking, and mass transit; and

(B) possess sufficient technological and organizational adaptability.

(2) UNIVERSITIES.—With respect to the 4 universities at which a demonstration project under this section is conducted—

(A) the universities should be selected, after careful review of all applications received containing the required information, as determined by the Director, based on—

(i) successful and established public-private research and development partnerships;

(ii) demonstrated capabilities to construct or renovate buildings that meet high indoor environmental quality standards;

(iii) organizational flexibility;

(iv) technological adaptability;

(v) the demonstrated capacity of at least 1 university to replicate lessons learned among nearby or sister universities, preferably by participation in groups or consortia that promote sustainability;

(vi) the demonstrated capacity of at least 1 university to have officially-adopted, institution-wide ''green building'' guidelines for all campus building projects; and

(vii) the demonstrated capacity of at least 1 university to have been recognized by similar institutions as a national leader in sustainability education and curriculum for students of the university; and

(B) each university shall be located in a different climatic region of the United States, each of which regions shall have, as determined by the Office—

(i) a hot, dry climate;

(ii) a hot, humid climate;

(iii) a cold climate; or

(iv) a temperate climate (including a climate with cold winters and humid summers).

(d) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter through September 30, 2013—

(1) the Director shall submit to the Administrator a report that describes the status of the demonstration projects; and

(2) each University at which a demonstration project under this section is conducted shall submit to the Administrator a report that describes the status of the demonstration projects under this section.

**SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

(a) FEDERAL DEMONSTRATION PROJECT.—There is authorized to be appropriated to carry out the Federal demonstration project described in section 401(b)(1) $10,000,000 for the period of fiscal years 2008 through 2013, to remain available until expended.

(b) UNIVERSITY DEMONSTRATION PROJECTS.—There is authorized to be appropriated to carry out the university demonstration projects described in section 401(b)(2) $10,000,000 for the period of fiscal years 2008 through 2013, to remain available until expended.

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

THE AMERICAN INSTITUTE OF ARCHITECTS,
*Washington, DC, June 15, 2006.*

Hon. JAMES M. JEFFORDS,
*U.S. Senate, Dirksen Senate Office Building, Washington, DC.*

DEAR SENATOR JEFFORDS: The American Institute of Architects has identified ''sustainability'' as the number one issue among our 75,000 members nationwide. We are concerned about the effects that America's pattern of energy use is having on the world's climate. And we are particularly concerned about the adverse effects that thoughtlessly designed buildings can have on the natural environment.

We believe that it is currently possible to design and operate buildings of all types in ways that conserve resources and drastically reduce their environmental impact. For that reason, we strongly support incentives to create more sustainable architecture.

The High Performance Green Buildings Act of 2006, which you are sponsoring, is an excellent start toward moving the federal government in the direction of sustainable architecture. The bill will create a specific Office of High Performance Green Buildings within the General Services Administration as well as an Advisory Committee of green building experts to assist that office in advancing the cause of sustainability within the federal government.

The bill will also mandate the consideration of life-cycle costing in the design and procurement of federal buildings; a concept long supported by the AIA. The bill will create a grants program for high performance and healthy schools, as well as health-based guidelines for school construction. It is a matter of great concern to the AIA that our Nation's school facilities are in a degraded condition and that significant improvement in student health and productivity could be achieved through upgrading the structures that now house our next generations.

The AIA is particularly supportive of the provisions of the bill that call for revisions to the Federal Acquisition Regulations to incorporate green design criteria into Federal contracting for construction or renovation of Federal buildings.

The AIA commends you for your leadership in taking on these complex issues that are closely intertwined with the Nation's environmental, energy and educational future. The AIA supports your efforts, supports your bill and would like to work with you to get it passed into law.

Sincerely,

CHRISTINE W. MCENTEE,
*Executive Vice President/CEO.*

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HEALTHY SCHOOLS NETWORK, INC.,
*June 23, 2006.*

Support for High-Performance Green Buildings Act of 2006.

Hon. JAMES JEFFORDS,
*U.S. Senate, Dirksen Senate Office Building, Washington, DC.*

DEAR SENATOR JEFFORDS: Children do better with a little fresh air and sunshine, indoors and out. The call for healthier schools is a ''back to basics'' drive, recalling neighborhood schools with high ceilings and tall windows that captured natural light and ventilation and with durable floors and walls that were easy to maintain.

Healthy Schools Network, Inc. is a national environmental health not for profit representing parent, environment, health, and education groups and individuals who are dedicated to ensuring that every child and school employee has an environmentally healthy school. Our reports, informational services, and advocacy have shaped new policies, laws, regulations, and funds for school facilities in New York and Federally, and fostered local and state coalitions Nationwide. We were honored to receive a US EPA Children's Health Protection Award in 2005 for our Healthy Schools/Healthy Kids Clearinghouse that has helped parents, schools, and nonprofits in every state.

We support the High-Performance Green Buildings Act of 2006 and the creation of an Office of High-Performance Green Buildings. We strongly support the Act's *Title II Healthy High Performance Schools provisions to improve our nation's school facilities and our children's health and learning.*

Title II authorizes U.S. EPA, advised by Education and Health and Human Services, to make grants to the *states to develop school environmental quality plans*, including state standards for school design that incorporate energy efficiency, indoor air quality, and low-emission interior finishes and products, as well as resource conservation. This one step alone will allow each state to adapt design protocols for use by local schools, as well as to consider how best to ''mix and match'' public and private resources for implementation. In addition, the creation of systematic state plans could identify ongoing school environmental problems and propose locally appropriate and system-wide improvements for siting, indoor air quality, lead contamination and pest problems, ''green'' purchasing, and outline plans for using schools as emergency centers.

The Act also authorizes U.S. EPA to develop Federal guidelines for the siting of schools, taking into account the special vulnerability of children to hazardous substances, modes of transportation, and the potential use of schools as emergency shelters. U.S. EPA and the Agency for Toxic Substances and Disease Registry have collected data on schools sited near or adjacent to hazardous facilities.

In addition, Title II authorizes US EPA, advised by Education and Health and Human Services, to issue guidelines for use by states in developing and implementing an environmental health program for schools. This program would provide research on children's health and school facilities and provide technical assistance on siting, design, management, and operation of schools; collaborate with the Federally sponsored pediatric environmental health specialty units to assist with any onsite environmental investigations; and assist states and the public in understanding and improving the environmental health of children.

This Nation has a long way to go to ensure that our children have healthy learning places. In 1996, the US GAO estimated that the poor condition of schools daily eroded the health of 14 million children. US EPA estimates that half of the nation's 120,000 schools have compromised indoor environmental quality. Indoor air pollution is a top-five human health hazard; asthma is the leading cause of absenteeism and the leading occupational disease among teachers. In 2004, the US Department of Education Office of the Under Secretary published its Congressionally mandated National Priority Study A Summary of Scientific Findings on Adverse Effects of Indoor Environments on Students' Health, Academic Peiformance and Attendance (http://www.iehinc.com/PDF / effects%20on%20students.pdf), finding that the evidence suggested that poor environments adversely influences student health, performance, and attendance. In the national report Lessons Learned (2006), which presents state by state data analyses and stories of sick or injured children, our office and our two dozen organizational collaborators estimated the number of children at high risk at 32 million of the 54 million enrolled. (See http://www.healthyschools.org/guides materials.html)

The need for healthier schools is now. At a time when our nation is demanding a better performance from every child and from every school, we need to ensure that every child has an environmentally healthy school. Healthier school facilities, designed, built, and cleaned and maintained as healthy high performance facilities—often at no additional local cost—are known to positively affect children's performance and attendance and teacher productivity. They are also associated with lower suspension rates. Designing more energy efficient facilities or replacing old heating and ventilating systems with up to date efficient systems or systems using renewable energy resources could save schools and their taxpayers billions of dollars annually.

We commend you for your leadership on these important issues and look forward to working with you and the sponsors towards the timely enactment and funding for this important legislation.

Sincerely,

CLAIRE L. BARNETT,
*Executive Director.*

ENVIRONMENTAL AND ENERGY STUDY INSTITUTE,
*Washington, DC, June 27, 2006.*

Hon. JAMES M. JEFFORDS,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR JEFFORDS: The Environmental and Energy Study Institute (EESI) strongly supports the High-Performance Green Buildings Act of 2006 you are introducing to advance the development of green building facilities for both federal agencies and schools. This legislation will:

—increase U.S. competitiveness in the increasingly global green building market

—accelerate expansion of the green building market within the United States through widespread Federal procurement, expanded research, and establishment of a green building information clearinghouse

—improve student and worker health and productivity through better indoor air quality

—increase U.S. energy savings

—support the growth of domestic recycled and biobased product markets that can help reduce the country's reliance on imported oil and

—reduce the environmental impacts of the country's built environment.

The General Services Administration (GSA) owns and operates more than 500,000 buildings with over 3 billion square feet, making it the largest landlord in the United States. With this amount of owned space, the GSA has the influence to ensure that Federal buildings across the country are shining examples of smart building design. Through incentives laid out in this legislation, the Federal Government can lead the country by example in incorporating green building designs that save buildings money in operational costs. That is good government!

Furthermore, green buildings have improved indoor air quality; this too saves the Federal Government money due to reduced sickness and absenteeism among its workforce. The American Lung Association estimates that indoor air pollution costs businesses more than $100 billion a year due to death, sick days, direct medical costs, loss of productivity, and damage to materials and equipment. The Environmental Protection Agency projects that 3,500 to 6,500 premature deaths per year are the result of the effects of indoor air pollutants.

Due to the heightened susceptibility of children to airborne pollutants because of their less developed immune systems, EESI applauds your bill's provisions to provide schools grant assistance as well as technical assistance in developing green building design. In fact, 20 percent of the U.S. population, nearly 55 million people, are in U.S. elementary and secondary schools, 110,000 of which were reported to have unsatisfactory indoor air quality in the 1990s. Without grants like those outlined in your bill, most school districts would not be able to fund green building projects. EESI's previous work on this topic has found that schools need Federal studies. They need a clearinghouse to provide information, and they need grants to implement these projects and realize their far-reaching benefits.

EESI strongly supports the use of recycled and biobased products as components of the bill's green building design. Fabricated from renewable domestic crops, biobased products do not ''offgas'' or emit airborne toxins like their petroleum-based counterparts which can aggravate respiratory systems and negatively affect health. Biobased products, along with improvements in ventilation, enhance indoor air quality and improve occupant health. They are also biodegradable and therefore not harmful to the environment. Furthermore, biobased products can be produced domestically; providing evermore economic opportunities to every state's agricultural sector.

Even as U.S. Federal agencies and schools face tightening budgets, many green building measures can be incorporated with minimal up-front costs while yielding enormous savings during a building's lifetime. Your bill's provision to establish an Office of High Performance Green Buildings would elevate attention to this issue and would play an essential role as provider/distributor of solid information so that agencies can pursue ''greening'' of buildings more easily, efficiently and economically.

Demonstration projects can engage undergraduate and graduate students—the leaders of tomorrow—who will learn first-hand about these innovations and take the experience with them in their careers. These projects also will incorporate smart siting and planning so that commuters can access them through many modes of transportation including mass transit, biking and walking. By incorporating these concerns, these projects not only address the energy consumed by the buildings themselves but the energy consumed in our transportation sector.

U.S. buildings consume about 40 percent of the country's annual primary energy use. Because the Federal Government is the country's largest energy consumer, your bill truly helps the Federal Government lead by example.

Sincerely,

CAROL WERNER,
*Executive Director, Environmental and Energy Study Institute.*

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By Mr. KENNEDY (for himself, Mr. DODD, Ms. MIKULSKI, Mr. SCHUMER, Mr. HARKIN, Mrs. CLINTON, and Mr. LIEBERMAN):

S. 3593 A bill to amend the Higher Education Act of 1965 to provide additional support to students; to the Committee on Finance.

Mr. KENNEDY. Mr. President, it is a privilege to join my colleagues in introducing the Student Debt Relief Act to lower college expenses for millions of families and help ensure that cost is not a barrier to a college education.

Earlier today, my colleagues and I released a report on ''The College Cost Crunch,'' which contains detailed information showing that students and their families in every State are struggling with skyrocketing college costs and rising student loan debt.

The report makes clear that the American dream is at risk unless college becomes more affordable. Parents and students know how important a college education is in our rapidly changing world, and they're willing to make immense sacrifices in order to afford it. But that sacrifice is getting harder and harder as college costs go up and as student debt increases as well.

It is unacceptable in this era when higher education in the United States is becoming more important, that it is also becoming more and more expensive. As the report shows, the cost of attending a public 4-year college has increased 32 percent since 2000, while median family incomes have increased by only 6 percent over the same time period.

Today, the cost of attendance is over $12,000 at public colleges and over $26,000 at private colleges, and federal student aid has not kept pace with these rising costs. The maximum Pell grant covered 51 percent of the cost of college in 1986, but it covered only 35 percent of the cost last year.

As a result, families and students are borrowing more than ever from the federal government and from private banks to finance higher education. Sixty-two percent of undergraduates at 4-year colleges are borrowing to finance their educations. The average student graduates with over $19,000 in student loan debt.

We need to solve this debt crisis now before it spirals even farther out of control.

Ensuring access to college is key to our opportunity, our economy, and to our values as a nation.

It affects opportunity, because each year 400,000 qualified students do not go to a 4-year college, because they cannot afford to do so.

It affects our economy, because we need to equip all of our citizens with a college education to compete effectively in the global economy.

It affects our values, because high college costs and high student debt are discouraging young Americans from taking lower paying public service jobs, from buying homes, and even from getting married and starting a family.

On July 1, to make matters even worse, students and families face one of the biggest student loan interest rate hikes in the history of the program—almost 2 percentage points in a single year.

Our bill deals with these issues in several ways.

First, it provides mandatory funding for an immediate increase in the maximum Pell grant from $4,050 to $5,100, with additional increases each year.

The bill also reforms the current student loan programs and uses the savings to pay for additional increases in need-based aid. This proposal—known as the Student Aid Reward Act, or the STAR Act—generates $13 billion over 10 years for new Pell grants—at zero cost to the government and taxpayers—by encouraging schools to use the more efficient Direct Loan Program instead of the guaranteed loan program.

The bill cuts student loan interest rates in half—to 3.4 percent for students and 4.25 percent for parents. This change will save average borrowers nearly $4,000 in interest payments over the life of their loans.

The bill gives borrowers the option to help keep loan payments manageable by tying the payments to income level and capping the payments at 15 percent of a borrower's income. This provision will enable young people to pursue their passions in public service careers such as teaching and social work, without worrying about making ends meet as they repay their debt.

The bill also extends and expands a popular college tuition tax deduction,

which Republicans allowed to expire at the end of last year. The IRS estimates that nearly 4.7 million students and families took advantage of the deduction in 2004, which allowed them to deduct up to $4,000 in tuition expenses from their taxes.

In Massachusetts, these changes would help thousands of students. If the Pell grant is increased to $5,100, Massachusetts would receive $63 million in new Pell grant aid. 4,700 additional students would receive grants, and the average grant would increase by more than $620—from $2,329 to $2,950. If student loan interest rates are cut in half, students in Massachusetts would save $3,470 over the life of their loans.

With more options to make loan payments contingent on income, new teachers in Massachusetts, who earn $34,000 a year, would have a reduction of 22 percent in their monthly loan payments, and after 10 years, their loans would be forgiven.

Congress needs to act now to make education a priority and do more to help struggling students and families.

But the administration and the Republican Congress have other priorities. Earlier this year, they perpetrated the biggest raid on student aid in the history of the program—stripping $12 billion from the program to offset tax giveaways for the wealthiest Americans.

If we returned tax rates for the wealthiest Americans to their levels when President Bush took office, we could pay for this entire proposal, and pay for other priorities for struggling middle class families as well.

Some of these proposals pay for themselves by cutting wasteful bank subsidies from the student loan programs and directing those funds to help students afford college. Report after report has shown that the Direct Loan Program saves taxpayer money. It is time for the Republican Congress to stand up to their friends in the lending industry and do what's right for students and families and the Nation.

We also need new investments in education if we are serious about reviving the American dream of a college education.

When Congress passed the G.I. bill after World War II, the Nation reaped a benefit of $7 for every $1 invested in sending our returning troops to college.

We need that kind of investment again to assure prosperity for our families and our Nation in the years ahead. The Student Debt Relief Act is a good step in the right direction, and I urge my colleagues to support it.

I ask unanimous consent that our report and the text of the bill be printed in the RECORD.

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

S. 3593

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Student Debt Relief Act of 2006''.

**SEC. 2. INCREASE IN FEDERAL PELL GRANTS.**

(a) IN GENERAL.—Section 401(b)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(2)(A)) is amended by striking clauses (i) through (v) and inserting the following:

''(i) $5,100 for academic year 2007–2008;

''(ii) $5,400 for academic year 2008–2009;

''(iii) $5,700 for academic year 2009–2010;

''(iv) $6,000 for academic year 2010–2011; and

''(v) $6,300 for academic year 2011–2012,''.

(b) ADDITIONAL FUNDS.—For an academic year, in the case in which discretionary amounts appropriated to carry out the Federal Pell Grant program under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.) for such academic year are sufficient to fund a maximum Federal Pell Grant award of $4,050, then there are authorized to be appropriated, and there are appropriated, additional amounts to carry out the amendment made by subsection (a) as follows:

(1) For academic year 2007–2008, $4,310,000,000.

(2) For academic year 2008–2009, $5,563,000,000.

(3) For academic year 2009–2010, $6,982,000,000.

(4) For academic year 2010–2011, $8,398,000,000.

(5) For academic year 2011–2012, $9,831,000,000.

**SEC. 3. STUDENT AID REWARD PROGRAM.**

Part G of title IV of the Higher Education Act of 1965 (20 U.S.C. 1088 et seq.) is amended by inserting after section 489 the following:

**''SEC. 489A. STUDENT AID REWARD PROGRAM.**

''(a) PROGRAM AUTHORIZED.—The Secretary shall carry out a Student Aid Reward Program to encourage institutions of higher education to participate in the student loan program under this title that is most cost-effective for taxpayers.

''(b) PROGRAM REQUIREMENTS.—In carrying out the Student Aid Reward Program, the Secretary shall—

''(1) provide to each institution of higher education participating in the student loan program under this title that is most cost-effective for taxpayers, a Student Aid Reward Payment, in an amount determined in accordance with subsection (c), to encourage the institution to participate in that student loan program;

''(2) require each institution of higher education receiving a payment under this section to provide student loans under such student loan program for a period of 5 years after the date the first payment is made under this section;

''(3) where appropriate, require that funds paid to institutions of higher education under this section be used to award students a supplement to such students' Federal Pell Grants under subpart 1 of part A;

''(4) permit such funds to also be used to award need-based grants to lower- and middle-income graduate students; and

''(5) encourage all institutions of higher education to participate in the Student Aid Reward Program under this section.

''(c) AMOUNT.—The amount of a Student Aid Reward Payment under this section shall be not less than 50 percent of the savings to the Federal Government generated by the institution of higher education's participation in the student loan program under this title that is most cost-effective for taxpayers instead of the institution's participation in the student loan program that is not most cost-effective for taxpayers.

''(d) TRIGGER TO ENSURE COST NEUTRALITY.—

''(1) LIMIT TO ENSURE COST NEUTRALITY.—Notwithstanding subsection (c), the Secretary shall not distribute Student Aid Reward Payments under the Student Aid Reward Program that, in the aggregate, exceed the Federal savings resulting from the implementation of the Student Aid Reward Program.

''(2) FEDERAL SAVINGS.—In calculating Federal savings, as used in paragraph (1), the Secretary shall determine Federal savings on loans made to students at institutions of higher education that participate in the student loan program under this title that is most cost-effective for taxpayers and that, on the date of enactment of this section, participated in the student loan program that is not most cost-effective for taxpayers, resulting from the difference of—

''(A) the Federal cost of loan volume made under the student loan program under this title that is most cost-effective for taxpayers; and

''(B) the Federal cost of an equivalent type and amount of loan volume made, insured, or guaranteed under the student loan program under this title that is not most cost-effective for taxpayers.

''(3) DISTRIBUTION RULES.—If the Federal savings determined under paragraph (2) is not sufficient to distribute full Student Aid Reward Payments under the Student Aid Reward Program, the Secretary shall—

''(A) first make Student Aid Reward Payments to those institutions of higher education that participated in the student loan program under this title that is not most cost-effective for taxpayers on the date of enactment of this section; and

''(B) with any remaining Federal savings after making Student Aid Reward Payments under subparagraph (A), make Student Aid Reward Payments to the institutions of higher education eligible for a Student Aid Reward Payment and not described in subparagraph (A) on a pro-rata basis.

''(4) DISTRIBUTION TO STUDENTS.—Any institution of higher education that receives a Student Aid Reward Payment under this section—

''(A) shall distribute, where appropriate, part or all of such payment among the students of such institution who are Federal Pell Grant recipients by awarding such students a supplemental grant; and

''(B) may distribute part of such payment as a supplemental grant to graduate students in financial need.

''(5) ESTIMATES, ADJUSTMENTS, AND CARRY OVER.—

''(A) ESTIMATES AND ADJUSTMENTS.—The Secretary shall make Student Aid Reward Payments to institutions of higher education on the basis of estimates, using the best data available at the beginning of an academic or fiscal year. If the Secretary determines thereafter that loan program costs for that academic or fiscal year were different than such estimate, the Secretary shall adjust by reducing or increasing subsequent Student Aid Reward Payments rewards paid to such institutions of higher education to reflect such difference.

''(B) CARRY OVER.—Any institution of higher education that receives a reduced Student Aid Reward Payment under paragraph (3)(B), shall remain eligible for the unpaid portion of such institution's financial reward payment, as well as any additional financial reward payments for which the institution is otherwise eligible, in subsequent academic or fiscal years.

''(e) DEFINITION.—In this section:

''(1) STUDENT LOAN PROGRAM UNDER THIS TITLE THAT IS MOST COST-EFFECTIVE FOR TAXPAYERS.—The term 'student loan program under this title that is most cost-effective for taxpayers' means the loan program under part B or D of this title that has the lowest

overall cost to the Federal Government (including administrative costs) for the loans authorized by such parts.

''(2) STUDENT LOAN PROGRAM UNDER THIS TITLE THAT IS NOT MOST COST-EFFECTIVE FOR TAXPAYERS.—The term 'student loan program under this title that is not most cost-effective for taxpayers' means the loan program under part B or D of this title that does not have the lowest overall cost to the Federal Government (including administrative costs) for the loans authorized by such parts.''.

**SEC. 4. REDUCTION IN INTEREST RATES.**

(a) FFEL.—Section 427A(l) of the Higher Education Act of 1965 (20 U.S.C. 1077a(l)) is amended—

(1) in paragraph (1)—

(A) by striking ''or 428C'' and inserting '', 428C, or 428H'';

(B) by striking ''6.8 percent'' and inserting ''3.4 percent''; and

(C) by adding at the end the following: ''Notwithstanding subsection (h), with respect to any loan under section 428H for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.''; and

(2) in paragraph (2), by striking ''8.5 percent'' and inserting ''4.25 percent''.

(b) DIRECT LOANS.—Section 455(b)(7) of the Higher Education Act of 1965 (20 U.S.C. 1087e(b)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''and Federal Direct Unsubsidized Stafford Loans'';

(B) by striking ''6.8 percent'' and inserting ''3.4 percent''; and

(C) by adding at the end the following: ''Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 2006, the applicable rate of interest shall be 6.8 percent on the unpaid principal balance of the loan.''; and

(2) in subparagraph (B), by striking ''7.9 percent'' and inserting ''4.25 percent''.

**SEC. 5. IN-SCHOOL CONSOLIDATION.**

Section 428(b)(7)(A) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(7)(A)) is amended by striking ''shall begin'' and all that follows through the period and inserting ''shall begin—

''(i) the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution); or

''(ii) on an earlier date if the borrower requests and is granted a repayment schedule that provides for repayment to commence at an earlier date.''.

**SEC. 6. CONSOLIDATION LOAN CHANGES.**

Section 428C(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1078–3(a)(3)) is amended to read as follows:

''(3) DEFINITION OF ELIGIBLE BORROWER.—For the purpose of this section, the term 'eligible borrower' means a borrower who—

''(A) is not subject to a judgment secured through litigation with respect to a loan under this title or to an order for wage garnishment under section 488A; and

''(B) at the time of application for a consolidation loan—

''(i) is in repayment status as determined under section 428(b)(7)(A);

''(ii) is in a grace period preceding repayment; or

''(iii) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.''.

**SEC. 7. REDUCTION OF DIRECT LOAN ORIGINATION FEES.**

Section 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1087e(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''4.0 percent'' and inserting ''3.0 percent''; and

(B) by striking ''shall'' and inserting ''is authorized to''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking '' '3.0 percent' for '4.0 percent' '' and inserting '' '2.0 percent' for '3.0 percent' '';

(B) in subparagraph (B), by striking '' '2.5 percent' for '4.0 percent' '' and inserting '' '1.5 percent' for '3.0 percent' '';

(C) in subparagraph (C), by striking '' '2.0 percent' for '4.0 percent' '' and inserting '' '1.0 percent' for '3.0 percent' '';

(D) in subparagraph (D), by striking '' '1.5 percent' for '4.0 percent' '' and inserting '' '0.5 percent' for '3.0 percent' ''; and

(E) in subparagraph (E), by striking '' '1.0 percent' for '4.0 percent' '' and inserting '' '0.0 percent' for '3.0 percent' ''.

**SEC. 8. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.**

(a) REPEAL.—Section 428I of the Higher Education Act of 1965 (20 U.S.C. 1078–9) is repealed.

(b) CONFORMING AMENDMENTS.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C.1070 et seq.) is amended—

(1) in section 428(c)(1)—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) and (G), respectively; and

(2) in section 438(b)(5), by striking the matter following subparagraph (B).

**SEC. 9. SCHOOLS AS LENDERS.**

Section 435(d) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)) is amended—

(1) in paragraph (2)(C), by inserting ''Federal or'' after ''not to supplant,''; and

(2) by adding at the end the following:

''(7) ELIGIBLE LENDER TRUSTEE USE BY ELIGIBLE INSTITUTION.—In the case of an eligible institution that uses an eligible lender trustee for the purpose of qualifying as an eligible lender under paragraph (2), such eligible lender trustee shall be subject to the requirements of paragraphs (2) through (5).''.

**SEC. 10. ADMINISTRATIVE ACCOUNT FOR DIRECT LOAN PROGRAM.**

Section 458 of the Higher Education Act of 1965 (20 U.S.C. 1087h) is amended—

(1) in subsection (a)—

(A) by striking paragraphs (2) and (3) and inserting the following:

''(2) MANDATORY FUNDS FOR FISCAL YEARS 2007 THROUGH 2011.—Each fiscal year there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

''(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

''(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b),

not to exceed (from such funds not otherwise appropriated) $904,000,000 in fiscal year 2007, $943,000,000 in fiscal year 2008, $983,000,000 in fiscal year 2009, $1,023,000,000 in fiscal year 2010, $1,064,000,000 in fiscal year 2011, and $1,106,000,000 in fiscal year 2012.'';

(B) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(C) in paragraph (3) (as redesignated in subparagraph (B)), by striking ''paragraph (3)'' and inserting ''paragraph (2)''; and

(2) in subsection (b), by striking ''(a)(3)'' and inserting ''(a)(2)''.

**SEC. 11. INCOME CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.**

Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

''(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES.—

''(A) IN GENERAL.—The Secretary shall forgive the balance due on any loan made under this part or section 428C(b)(5) for a borrower—

''(i) who has made 120 payments on such loan pursuant to income contingent repayment; and

''(ii) who is employed, and was employed for the 10-year period in which the borrower made the 120 payments described in clause (i), in a public sector job.

''(B) PUBLIC SECTOR JOB.—In this paragraph, the term 'public sector job' means a full-time job in emergency management, government, public safety, law enforcement, public health, education (including early childhood education), or public interest legal services (including prosecution or public defense).

''(8) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income contingent repayment may choose, at any time, to terminate repayment pursuant to income contingent repayment and repay such loan under the standard repayment plan.''.

**SEC. 12. DEFINITIONS OF PARTIAL FINANCIAL HARDSHIP AND ECONOMIC HARDSHIP.**

(a) PARTIAL FINANCIAL HARDSHIP.—Section 435 of the Higher Education Act of 1965 (20 U.S.C. 1085) is amended by inserting after subsection (m) the following:

''(n) PARTIAL FINANCIAL HARDSHIP.—For purposes of this part and part E, the term 'partial financial hardship' means the amount by which the borrower's annual Federal educational debt burden exceeds 15 percent of the difference between—

''(1) the borrower's adjusted gross income; and

''(2) the poverty line applicable to the borrower's family size as determined under section 673(2) of the Community Services Block Grant Act.''.

(b) ECONOMIC HARDSHIP.—Section 435(o) of the Higher Education Act of 1965 (20 U.S.C. 1085(o)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(ii), by striking ''100 percent of the poverty line for a family of 2'' and inserting ''150 percent of the poverty line applicable to the borrower's family size'';

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(2) in paragraph (2), by striking ''(1)(C)'' and inserting ''(1)(B)''.

**SEC. 13. DEFERRALS.**

(a) FISL.—Section 427(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1077(a)(2)(C)) is amended to read as follows:

''(C) provides that—

''(i) periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

''(I) during which the borrower—

''(aa) is pursuing at least a half-time course of study as determined by an eligible institution; or

''(bb) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or a loan made under this part (other than a loan made under section 428B or 428C), while serving in a medical internship or residency program;

''(II) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment; or

''(III) during which the borrower has, or will have, an economic hardship described in

section 435(o), as determined by the lender in accordance with regulations prescribed by the Secretary under such section; and

''(ii) during any period during which a borrower has, or will have, a partial financial hardship defined in section 435(n), as determined by the lender in accordance with regulations prescribed by the Secretary under such section, the borrower—

''(I) need only pay the portion of the periodic installments of principal and interest that exceeds the borrower's partial financial hardship for such period; and

''(II) may defer the remaining amount of principal and interest (which interest shall continue to accrue) for such period,

and provides that any such period shall not be included in determining the 10-year period described in subparagraph (B);''.

(b) INTEREST SUBSIDIES.—Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(M)) is amended to read as follows:

''(M) provides that—

''(i) periodic installments of principal need not be paid, but interest shall accrue and be paid by the Secretary, during any period—

''(I) during which the borrower—

''(aa) is pursuing at least a half-time course of study as determined by an eligible institution, except that no borrower, notwithstanding the provisions of the promissory note, shall be required to borrow an additional loan under this title in order to be eligible to receive a deferment under this clause; or

''(bb) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary,

except that no borrower shall be eligible for a deferment under this clause, or loan made under this part (other than a loan made under 428B or 428C), while serving in a medical internship or residency program;

''(II) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment, except that no borrower who provides evidence of eligibility for unemployment benefits shall be required to provide additional paperwork for a deferment under this clause;

''(III) not in excess of 3 years during which the borrower—

''(aa) is serving on active duty during a war or other military operation or national emergency; or

''(bb) is performing qualifying National Guard duty during a war or other military operation or national emergency; or

''(IV) during which the borrower has, or will have, an economic hardship described in section 435(o), as determined by the lender in accordance with regulations prescribed by the Secretary under such section; and

''(ii) during any period during which a borrower has, or will have, a partial financial hardship defined in section 435(n), as determined by the lender in accordance with regulations prescribed by the Secretary under such section, a portion of the periodic installments of principal and interest need not be paid as follows:

''(I) the Secretary shall first pay the portion of the periodic installments of interest due that does not exceed the borrower's partial financial hardship for such period, and any amount of interest due in excess of the borrower's partial financial hardship for such period shall be paid by the borrower; and

''(II) the borrower shall pay the periodic installments of principal due for such period, reduced by the difference between the partial financial hardship and the amount of interest paid under subclause (I);''.

(c) DIRECT LOANS.—Section 455(f) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)) is amended—

(1) in paragraph (2)(D), by striking ''not in excess of 3 years''; and

(2) by adding at the end the following:

''(5) PARTIAL FINANCIAL HARDSHIP DEFERMENT.—During any period during which a borrower has, or will have, a partial financial hardship defined in section 435(n), as determined by the Secretary in accordance with regulations prescribed under such section, a portion of the periodic installments of principal and interest need not be paid as follows:

''(A) In the case of a Federal Direct Stafford Loan, a Federal Direct Consolidation Loan that consolidated only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428—

''(i) the amount of interest for such period that does not exceed the borrower's partial financial hardship shall not accrue, and any amount of interest due in excess of the borrower's partial financial hardship shall be capitalized or be paid by the borrower; and

''(ii) the borrower shall pay the periodic installments of principal due for such period, reduced by the difference between the partial financial hardship and the amount of interest paid under clause (i).

''(B) In the case of a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan not described in subparagraph (A)—

''(i) the amount of interest and principal that equals the borrower's partial financial hardship for such period need not be paid but may be deferred or capitalized by the borrower; and

''(ii) any amount of interest or principal due in excess of the borrower's partial financial hardship for such period shall be paid by the borrower.''.

(d) PERKINS.—Section 464(c) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(c)) is amended—

(1) by striking paragraph (2)(A)(iv) and inserting the following:

''(iv) during which the borrower has, or will have, an economic hardship described in section 435(o), as determined by the lender in accordance with regulations prescribed by the Secretary under such section; or''; and

(2) by adding at the end the following:

''(8) PARTIAL FINANCIAL HARDSHIP DEFERMENT.—During any period during which a borrower has, or will have, a partial financial hardship defined in section 435(n), as determined by the lender in accordance with regulations prescribed by the Secretary under such section, a portion of the periodic installments of principal and interest need not be paid as follows:

''(A) the Secretary shall first pay the periodic installments of interest due for such period that does not exceed the borrower's partial financial hardship, and any amount of interest due in excess of the borrower's partial financial hardship shall be paid by the borrower; and

''(B) the borrower shall pay the periodic installments of principal due reduced by the difference between the partial financial hardship and the amount of interest paid under subparagraph (A).''.

**SEC. 14. MAXIMUM REPAYMENT PERIOD.**

Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

''(7) MAXIMUM REPAYMENT PERIOD.—In calculating the extended period of time for which an income contingent repayment plan under this subsection may be in effect for a borrower, the Secretary shall include all time periods during which a borrower of loans under part B, part D, or part E—

''(A) is not in default on any loan that is included in the income contingent repayment plan; and

''(B)(i) qualifies for economic hardship described in section 435(o);

''(ii) has a partial financial hardship defined in section 435(n);

''(iii) makes payments under a standard repayment plan described in section 428(b)(9)(A)(i) or 455(d)(1)(A), or

''(iv) makes payments under an extended repayment plan described in section 428(b)(9)(A)(iv) or 455(d)(1)(C).''.

**SEC. 15. INCREASE IN CONSOLIDATION LOAN LENDER FEES.**

(a) AMENDMENT.—Paragraph (2) of section 438(d) (20 U.S.C. 1087–1(d)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to any loan made under this part for which the first disbursement was made on or after October 1, 1993, the amount of the loan fee that shall be deducted under paragraph (1) shall be equal to 0.50 percent of the principal amount of the loan.

''(B) CONSOLIDATION LOANS.—With respect to any loan made under section 428C on or after April 1, 2006, the amount of the loan fee that shall be deducted under paragraph (1) shall be equal to 1.0 percent of the principal amount of the loan.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) for which the first disbursement is made on or after April 1, 2006.

**SEC. 16. COLLEGE TUITION DEDUCTION AND CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.**

(a) EXPANSION OF DEDUCTION FOR HIGHER EDUCATION EXPENSES.—

(1) AMOUNT OF DEDUCTION.—Subsection (b) of section 222 of the Internal Revenue Code of 1986 (relating to deduction for qualified tuition and related expenses) is amended to read as follows:

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATIONS.—

''(A) IN GENERAL.—Except as provided in paragraph (2), the amount allowed as a deduction under subsection (a) with respect to the taxpayer for any taxable year shall not exceed the applicable dollar limit.

''(B) APPLICABLE DOLLAR LIMIT.—The applicable dollar limit for any taxable year shall be determined as follows:

| "Taxable year: | Applicable dollar amount: |
|---|---|
| 2006 | $8,000 |
| 2007 and thereafter | $12,000. |

''(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $65,000 ($130,000 in the case of a joint return), bears to

''(ii) $15,000 ($30,000 in the case of a joint return).

''(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term

'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

''(i) without regard to this section and sections 199, 911, 931, and 933, and

''(ii) after the application of sections 86, 135, 137, 219, 221, and 469.

For purposes of the sections referred to in clause (ii), adjusted gross income shall be determined without regard to the deduction allowed under this section.

''(D) INFLATION ADJUSTMENTS.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2006, both of the dollar amounts in subparagraph (B)(i)(II) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2005' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.''.

(2) QUALIFIED TUITION AND RELATED EXPENSES OF ELIGIBLE STUDENTS.—

(A) IN GENERAL.—Section 222(a) of the Internal Revenue Code of 1986 (relating to allowance of deduction) is amended by inserting ''of eligible students'' after ''expenses''.

(B) DEFINITION OF ELIGIBLE STUDENT.—Section 222(d) of such Code (relating to definitions and special rules) is amended by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) ELIGIBLE STUDENT.—The term 'eligible student' has the meaning given such term by section 25A(b)(3).''.

(3) DEDUCTION MADE PERMANENT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to the amendments made by section 431 of such Act.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made in taxable years beginning after December 31, 2005.

(b) CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.—

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

**''SEC. 25E. INTEREST ON HIGHER EDUCATION LOANS.**

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

''(b) MAXIMUM CREDIT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

''(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($100,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowable as such excess bears to $20,000 ($40,000 in the case of a joint return).

''(B) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 199, 222, 911, 931, and 933.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2006, the $50,000 and $100,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2005' for '1992'.

''(D) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual's taxable year begins.

''(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED EDUCATION LOAN.—The term 'qualified education loan' has the meaning given such term by section 221(d)(1).

''(2) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

''(f) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any amount taken into account for any deduction under any other provision of this chapter.

''(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.''.

(2) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Interest on higher education loans.''.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to any qualified education loan (as defined in section 25E(e)(1) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after the date of the enactment of this Act, but only with respect to any loan interest payment due after December 31, 2005.

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

# The College Cost Crunch: A State-by-State Analysis of Rising Tuition and Student Debt

Federal student aid has not kept pace with the rising cost of attending college. As a consequence, students and parents have been forced to rely more heavily on loans to finance higher education. Now, with interest rates rising by nearly two percentage points, paying off student loans will become even more difficult. The prospect of high student loan debt can deter qualified students from pursuing or completing a college education. And for those who do graduate from college, studies show that increasing student debt is affecting professional and personal decisions, such as what career to pursue or when to buy a home. If America is to remain a land of opportunity, we must ensure that college is affordable for all and that the pursuit of higher education is determined by one's ability and hard work, not by one's bank account.

## *College Education: More Important, More Expensive*

A college education is more important than ever in ensuring success in our increasingly competitive economy. It improves one's chances of being employed, having higher earnings, and entering the middle class. People with a bachelor's degree earn over 62 percent more on average than those with only a high school diploma. Over a lifetime, the gap in earning potential between a person with a high school diploma and a bachelor's degree is more than $1 million. (College Board, 2005)

But while a college education has become more important to economic success, the cost has become an even greater barrier to getting a degree. The cost of attending a public four-year college increased 32 percent between the 2000-2001 and 2004-2005 school years. The cost of attending a private four-year college also has risen considerably – a 21 percent increase – and has reached nearly $26,500 a year. (U.S. Department of Education, Digest of Education Statistics, 2001 and 2005) Over the same period, median family income increased less than six percent. (U.S. Census Bureau, Historical Income Tables) After financial aid is taken into account, 28 percent of the average family income is required to pay for annual college expenses at a public four-year college. (The National Center for Public Policy and Higher Education, Measuring Up 2004)

## *Paying for College: A Shift from Grants to Loans*

The federal government has long recognized the personal and public benefits of making college affordable. The federal Pell Grant program, which is the nation's largest need-based grant program, has proven to be indispensable for millions of students who might not otherwise have had the financial resources to pursue a college degree. But the maximum federal Pell Grant award has not kept pace with the rising cost of attending college. While the maximum Pell Grant covered 51 percent of the cost of tuition, fees, room and board at a public four-year college during the 1986-1987 school year, it

covered only 35 percent of those costs in 2004-2005. (Analysis of Department of Education data)

Without adequate federal grants, students and their parents have had to rely increasingly on student loans to finance their college educations. More students are borrowing, and borrowing larger amounts, than ever before. The percentage of undergraduates at four-year colleges taking out loans has risen to over 60 percent, and the average amount of federal student loan debt upon graduation has increased from $8,946 in 1992-1993 to $17,400 in 2003-2004. When private loans are factored in as well, average student loan debt in 2003-2004 was over $19,000. (National Postsecondary Student Aid Study 1993 and 2004, National Center for Education Statistics)

While the amount of student loans has grown over time, the impact has been moderated in recent years by historically low interest rates. Students have minimized the effects of high debt by consolidating loans at low, fixed rates. But interest rates for Stafford loans have risen substantially over the past two years, increasing from 3.4 to 5.3 percent last year and will be rising again on July 1 – to 7.14 percent for outstanding loans and 6.8 percent on new loans. (Congressional Research Service) As a result, loan payments will be considerably higher for students taking out new loans and for those who did not consolidate their loans in recent years.

### *Student Debt's Impact on Attending and Completing College*

Regrettably, the opportunity of a college education is not available to all qualified students. The high cost of attending college, combined with insufficient grant aid, can price students out of a college education. Even with student loans and work-study programs, students can be confronted with thousands of dollars of unmet financial need that they simply cannot afford to pay. After all aid, loans and work are taken into account, the lowest income students still face nearly $5,800 in unmet need. (Business Higher Education Forum, 2005) Consequently, each year, more than 400,000 low- and moderate-income high school graduates who are fully prepared to attend a four-year college do not do so because of financial barriers. About 170,000 of these students will attend no college at all. (Advisory Committee on Student Finance Assistance, June 2002)

The need to take out student loans can also cause students to delay starting school, prevent them from attending a more expensive college, or prevent students who begin college from graduating. Students who attempt college but leave without a degree can become burdened with an unmanageable student loan debt. About 18 percent of people who leave school without completing a degree borrow more than $20,000. (Nellie Mae Corporation, February 2003)

### *Student Debt's Impact on Post-Graduate Decisions*

Large student debt also affects career and life decisions after graduation. A new study examined the burden of student loan debt on people who would like to pursue public service careers such as teaching and social work – careers that are low-paying yet essential to America's future and to the communities in which we live. It found that 23

percent of public college graduates and 38 percent of private college graduates would have an unmanageable level of student debt if they were to live on the salary of a starting teacher. The outlook is even bleaker for social work. Student debt would be unmanageable for 37 percent of public college graduates and 55 percent of private college graduates living on the salary of a starting social worker. (State PIRGs' Higher Education Project, April 2006)

The most recent National Student Loan Survey has found that student debt can affect other major life decisions. For the first time in fifteen years, the survey found that the probability of owning a home decreases as student debt levels increase. While student debt is not the primary determinant of home ownership, the survey found that an additional $5,000 of debt reduces the probability of owning home by about one percent. The survey also measured the perceived impact of student loan debt and found that 30 percent of respondents said they delayed buying a car because of student loan debt, 21 percent said they delayed having children because of student loan debt, and 14 percent said they delayed getting married because of student loan debt. (Nellie Mae Corporation, February 2003)

### *Budget Reconciliation: A Missed Opportunity to Expand College Affordability*

At the end of 2005, federal lawmakers were presented with a realistic opportunity to address college affordability. It was proposed that Congress could reduce excessive subsidies going to student loan lenders and use those savings to substantially increase need-based aid to all students eligible for Pell Grants. But the Republican-controlled Congress had other priorities. Instead of increasing grants to all Pell-eligible students, Republicans stripped $12 billion from the student loan program and used it to offset more tax breaks for the wealthy instead of more aid for students. Only a very small amount of additional savings went to student aid. This new aid program is so restrictive that the Congressional Budget Office estimates that less than ten percent of Pell eligible students will receive additional grant aid this year. To make matters worse, in the same bill, Congress also increased interest rates for PLUS loans to parents, from the previously-scheduled fixed rate of 7.9 percent to 8.5 percent.

### *A Need for a New Direction on College Affordability*

Democrats recognize that students and their families are struggling to cover the rising cost of college and are making college affordability a top priority. Specifically, Democrats propose to:

- **Cut student loan costs and make payments manageable.** Because interest rates on new Stafford loans are set to rise to a fixed 6.8 percent on July 1, current college students will eventually have higher monthly debt payments than graduates who were able to consolidate their student loans at low fixed rates in recent years. Democrats support efforts to make student loans affordable, such as lowering interest rates or expanding options to limit loan payments to a specified percentage of the borrower's income.

- **Expand Pell Grants.** President Bush still has not followed through on his six-year-old campaign promise to increase the maximum Pell Grant to $5,100. Under his budget proposal for Fiscal Year 2007, the maximum Pell Grant would remain at $4,050 – where it has been frozen for the past four years, despite skyrocketing tuition and fees. Democrats are committed to raising the maximum Pell Grant award to $5,100.

- **Make college tuition deductible from taxes.** The Republican-controlled Congress allowed a popular tax deduction for college tuition to expire at the end of 2005. In 2003, over 3.4 million Americans benefited from this tax deduction. Preliminary data from the Internal Revenue Service shows that in 2004, 4.7 million took advantage of the deduction, which allowed qualified taxpayers to deduct up to $4,000 in tuition and fees from their taxable income. Republicans chose to include capital gains and dividends tax breaks – but not the college tuition tax deduction – in the tax reconciliation conference report approved earlier this year. Democrats support extending this tax deduction this year so taxpayers can benefit from it when filing their 2006 tax returns and have proposed increasing the deduction to $12,000. Democrats also support expanding access to the Hope and Lifetime Learning tax credits for qualified postsecondary education expenses.

## Examining How States Are Affected by Rising Tuition and Student Debt

Rising tuition and student loan debt is a national problem. No state has escaped the college cost crunch. But individual states have been affected to different degrees. This report provides information on the college affordability problem in each state as well as how students and their families in each state would benefit from Democratic proposals. The following tables and individualized state reports provide information for each state on:

- The rising cost of college;
- The erosion of the value of the Pell Grant;
- The amount of student loan debt incurred by college graduates;
- The amount of family income needed to pay for college;
- The amount of savings if student loan interest rates were cut in half;
- The reduction in monthly costs if student loan payments were capped at 15 percent of a borrower's discretionary income;
- The increase in the average Pell Grant award and the number of students eligible if the maximum Pell Grant were increased to $5,100; and
- The number of students and families who are likely to benefit from re-instituting the college tuition tax deduction, which expired at the end of 2005.

| The Rising Cost of College Threatens Access to a Degree | | | | | |
|---|---|---|---|---|---|
| Tuition, Fees, Room & Board at Public Four-Year Institutions | | | | | |
| State | 2000-2001[1] | 2004-2005[2] | State | 2000-2001 | 2004-2005 |
| **Alabama** | $7,338 | $9,819 | **Montana** | $7,607 | $9,867 |
| **Alaska** | $8,386 | $9,936 | **Nebraska** | $7,335 | $10,704 |
| **Arizona** | $7,872 | $10,863 | **Nevada** | $8,252 | $10,464 |
| **Arkansas** | $6,789 | $8,734 | **New Hampshire** | $11,717 | $14,651 |
| **California** | $9,592 | $13,356 | **New Jersey** | $11,998 | $16,349 |
| **Colorado** | $8,360 | $10,243 | **New Mexico** | $7,085 | $8,675 |
| **Connecticut** | $10,512 | $13,824 | **New York** | $10,254 | $12,441 |
| **Delaware** | $10,290 | $13,353 | **North Carolina** | $7,080 | $9,450 |
| **District of Columbia[3]** | $2,070 | $2,070 | **North Dakota** | $6,405 | $9,011 |
| **Florida** | $7,944 | $9,335 | **Ohio** | $10,449 | $15,256 |
| **Georgia** | $7,455 | $9,439 | **Oklahoma** | $6,000 | $8,451 |
| **Hawaii** | $8,286 | $9,131 | **Oregon** | $9,397 | $12,177 |
| **Idaho** | $6,763 | $9,066 | **Pennsylvania** | $11,087 | $14,771 |
| **Illinois** | $9,533 | $12,803 | **Rhode Island** | $11,104 | $13,541 |
| **Indiana** | $9,232 | $12,240 | **South Carolina** | $9,065 | $12,165 |
| **Iowa** | $7,589 | $11,541 | **South Dakota** | $6,979 | $8,944 |
| **Kansas** | $6,650 | $9,397 | **Tennessee** | $7,661 | $9,445 |
| **Kentucky** | $6,921 | $9,400 | **Texas** | $7,634 | $10,233 |
| **Louisiana** | $6,304 | $7,973 | **Utah** | $6,623 | $8,348 |
| **Maine** | $9,361 | $11,826 | **Vermont** | $12,836 | $15,658 |
| **Maryland** | $10,846 | $14,108 | **Virginia** | $8,744 | $11,616 |
| **Massachusetts** | $9,206 | $13,687 | **Washington** | $8,917 | $11,902 |
| **Michigan** | $9,841 | $12,658 | **West Virginia** | $7,287 | $9,450 |
| **Minnesota** | $8,146 | $11,958 | **Wisconsin** | $7,385 | $9,872 |
| **Mississippi** | $7,181 | $9,019 | **Wyoming** | $7,017 | $8,514 |
| **Missouri** | $8,201 | $11,356 | **United States** | $8,655 | $11,441 |

[1] National Center for Education Statistics, "Digest of Education Statistics 2001"
[2] National Center for Education Statistics, "Digest of Education Statistics 2005"
[3] Figure Includes Tuition and Fees Only

## The Rising Cost of College Threatens Access to a Degree

### Tuition, Fees, Room & Board at Private Four-Year Institutions

| State | 2000-2001[4] | 2004-2005[5] | State | 2000-01 | 2004-2005 |
|---|---|---|---|---|---|
| **Alabama** | $14,248 | $17,520 | **Montana** | $14,298 | $17,918 |
| **Alaska** | $14,378 | $21,423 | **Nebraska** | $16,381 | $19,725 |
| **Arizona** | $14,935 | $19,448 | **Nevada** | $17,397 | $20,594 |
| **Arkansas** | $13,361 | $17,040 | **New Hampshire** | $24,525 | $29,728 |
| **California** | $24,993 | $30,186 | **New Jersey** | $23,860 | $29,751 |
| **Colorado** | $23,599 | $27,361 | **New Mexico** | $18,985 | $19,304 |
| **Connecticut** | $27,818 | $33,965 | **New York** | $25,171 | $30,907 |
| **Delaware** | $14,041 | $17,368 | **North Carolina** | $20,169 | $24,600 |
| **District of Columbia** | $27,143 | $31,594 | **North Dakota** | $11,392 | $12,525 |
| **Florida** | $19,800 | $23,793 | **Ohio** | $21,045 | $25,594 |
| **Georgia** | $19,743 | $24,734 | **Oklahoma** | $15,397 | $19,168 |
| **Hawaii** | $15,997 | $17,866 | **Oregon** | $23,306 | $27,493 |
| **Idaho** | $17,783 | $11,388 | **Pennsylvania** | $24,779 | $30,637 |
| **Illinois** | $21,941 | $26,966 | **Rhode Island** | $26,157 | $30,907 |
| **Indiana** | $21,390 | $26,490 | **South Carolina** | $17,583 | $21,237 |
| **Iowa** | $19,454 | $23,012 | **South Dakota** | $15,398 | $18,076 |
| **Kansas** | $15,627 | $19,736 | **Tennessee** | $18,139 | $22,035 |
| **Kentucky** | $14,727 | $19,262 | **Texas** | $16,973 | $22,218 |
| **Louisiana** | $22,154 | $26,583 | **Utah** | $8,576 | $10,521 |
| **Maine** | $22,689 | $28,371 | **Vermont** | $22,312 | $27,261 |
| **Maryland** | $26,034 | $30,515 | **Virginia** | $18,700 | $23,277 |
| **Massachusetts** | $28,669 | $35,470 | **Washington** | $21,510 | $26,021 |
| **Michigan** | $16,040 | $19,286 | **West Virginia** | $18,338 | $19,067 |
| **Minnesota** | $21,556 | $25,946 | **Wisconsin** | $20,271 | $24,574 |
| **Mississippi** | $13,717 | $16,460 | **Wyoming** | N/A | N/A |
| **Missouri** | $17,852 | $21,431 | **United States** | $21,907 | $26,489 |

[4] National Center for Education Statistics, "Digest of Education Statistics 2001"
[5] National Center for Education Statistics, "Digest of Education Statistics 2005"

| The Declining Purchasing Power of the Pell Grant Forces Students to Borrow More[6] | | | | | |
|---|---|---|---|---|---|
| State | Percentage of College Costs of $2,100 Maximum Pell Grant in 1986-87 | Percentage of College Costs of $4,050 Maximum Pell Grant in 2004-2005 | State | Percentage of College Costs of $2,100 Maximum Pell Grant in 1986-87 | Percentage of College Costs of $4,050 Maximum Pell Grant in 2004-2005 |
| **Alabama** | 62% | 41% | **Montana** | 51% | 41% |
| **Alaska** | 53% | 41% | **Nebraska** | 63% | 38% |
| **Arizona** | 55% | 37% | **Nevada** | 60% | 39% |
| **Arkansas** | 75% | 46% | **New Hampshire** | 46% | 28% |
| **California** | 40% | 30% | **New Jersey** | 43% | 25% |
| **Colorado** | 47% | 40% | **New Mexico** | 58% | 47% |
| **Connecticut** | 49% | 29% | **New York** | 45% | 33% |
| **Delaware** | 54%[7] | 30% | **North Carolina** | 69% | 43% |
| **District of Columbia** | N/A | N/A | **North Dakota** | 67% | 45% |
| **Florida** | 54% | 43% | **Ohio** | 43% | 27% |
| **Georgia** | 58% | 43% | **Oklahoma** | 72% | 48% |
| **Hawaii** | 49% | 44% | **Oregon** | 53% | 33% |
| **Idaho** | 56% | 45% | **Pennsylvania** | 41% | 27% |
| **Illinois** | 47% | 32% | **Rhode Island** | 39% | 30% |
| **Indiana** | 44% | 33% | **South Carolina** | 50% | 33% |
| **Iowa** | 61% | 35% | **South Dakota** | 62% | 45% |
| **Kansas** | 60% | 43% | **Tennessee** | 62% | 43% |
| **Kentucky** | 64% | 43% | **Texas** | 55% | 40% |
| **Louisiana** | 59% | 51% | **Utah** | 53% | 49% |
| **Maine** | 46% | 34% | **Vermont** | 30% | 26% |
| **Maryland** | 39% | 29% | **Virginia** | 42% | 35% |
| **Massachusetts** | 50% | 30% | **Washington** | 53% | 34% |
| **Michigan** | 44% | 32% | **West Virginia** | 51% | 43% |
| **Minnesota** | 52% | 34% | **Wisconsin** | 58% | 41% |
| **Mississippi** | 54% | 45% | **Wyoming** | 62%[8] | 48% |
| **Missouri** | 62% | 36% | **United States** | 51% | 35% |

[6] HELP Committee calculations based on cost of tuition, fees, room and board data from National Center for Education Statistics, "Digest of Education Statistics 1988" and "Digest of Education Statistics 2005" and data on maximum appropriated Pell Grant from Congressional Research Service.

[7] Based on 1986-87 tuition, fees, room and board data from Integrated Postsecondary Education Data System

[8] Based on 1986-87 tuition, fees, room and board data from Integrated Postsecondary Education Data System

| More and More Students Are Graduating from College with Huge Education Debt | | | | | |
|---|---|---|---|---|---|
| State | Percent of Under-graduates with Loans[9] | Average Debt per Graduate[10] | State | Percent of Under-graduates with Loans | Average Debt per Graduate |
| **Alabama** | 62% | $17,277 | **Montana** | 55% | $16,920 |
| **Alaska** | 53% | $12,948 | **Nebraska** | 67% | $17,356 |
| **Arizona** | 59% | $16,089 | **Nevada** | 44% | $12,818 |
| **Arkansas** | 55% | $17,383 | **New Hampshire** | 67% | $21,332 |
| **California** | 56% | $15,340 | **New Jersey** | 57% | $16,450 |
| **Colorado** | 55% | $16,833 | **New Mexico** | 51% | $12,746 |
| **Connecticut** | 59% | $19,093 | **New York** | 59% | $17,594 |
| **Delaware** | 46% | $15,694 | **North Carolina** | 62% | $16,484 |
| **District of Columbia** | 53% | $21,675 | **North Dakota** | 67% | $21,331 |
| **Florida** | 58% | $18,574 | **Ohio** | 62% | $19,665 |
| **Georgia** | 53% | $15,337 | **Oklahoma** | 55% | $16,297 |
| **Hawaii** | 41% | $14,716 | **Oregon** | 63% | $18,105 |
| **Idaho** | 54% | $24,527 | **Pennsylvania** | 72% | $19,866 |
| **Illinois** | 66% | $16,104 | **Rhode Island** | 62% | $20,826 |
| **Indiana** | 65% | $18,506 | **South Carolina** | 63% | $16,734 |
| **Iowa** | 77% | $22,025 | **South Dakota** | 72% | $18,889 |
| **Kansas** | 69% | $16,029 | **Tennessee** | 59% | $19,346 |
| **Kentucky** | 54% | $15,579 | **Texas** | 56% | $16,618 |
| **Louisiana** | 53% | $17,531 | **Utah** | 44% | $11,039 |
| **Maine** | 65% | $18,341 | **Vermont** | 69% | $20,604 |
| **Maryland** | 50% | $15,054 | **Virginia** | 63% | $16,474 |
| **Massachusetts** | 62% | $17,353 | **Washington** | 61% | $17,601 |
| **Michigan** | 57% | $17,941 | **West Virginia** | 64% | $17,697 |
| **Minnesota** | 67% | $19,468 | **Wisconsin** | 68% | $16,815 |
| **Mississippi** | 57% | $14,534 | **Wyoming** | 43% | N/A |
| **Missouri** | 65% | $15,678 | **United States[11]** | 62% | $19,300 |

[9] Proportion of Student Loan Borrowers Among Full-Time First-Time Undergraduates at Four-Year Institutions. Calculations by the Project on Student Debt at the Institute for College Access and Success, based on data from the National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS) 2004, Data Analysis System (DAS)

[10] Average Debt of Graduates from Four-Year Colleges and Universities. Calculations by the Project on Student Debt from campus data available on www.economicdiversity.org. Includes only campuses reporting total debt through the Common Data Set initiative. Averages are weighted by campus enrollment.

[11] NCES, "National Postsecondary Student Aid Study 2004," compiled by Congressional Research Service

| Percent of Family Income Needed to Pay for One Year at a Four-Year Public College, After Financial Aid | | | |
|---|---|---|---|
| State Name | Percent of Average Family Income[12] | State Name | Percent of Average Family Income |
| **Alabama** | 27% | **Montana** | 31% |
| **Alaska** | 21% | **Nebraska** | 24% |
| **Arizona** | 30% | **Nevada** | 27% |
| **Arkansas** | 26% | **New Hampshire** | 32% |
| **California** | 32% | **New Jersey** | 34% |
| **Colorado** | 24% | **New Mexico** | 27% |
| **Connecticut** | 29% | **New York** | 32% |
| **Delaware** | 30% | **North Carolina** | 25% |
| **District of Columbia** | N/A | **North Dakota** | 25% |
| **Florida** | 25% | **Ohio** | 36% |
| **Georgia** | 24% | **Oklahoma** | 23% |
| **Hawaii** | 23% | **Oregon** | 34% |
| **Idaho** | 22% | **Pennsylvania** | 35% |
| **Illinois** | 30% | **Rhode Island** | 35% |
| **Indiana** | 29% | **South Carolina** | 32% |
| **Iowa** | 28% | **South Dakota** | 23% |
| **Kansas** | 23% | **Tennessee** | 27% |
| **Kentucky** | 22% | **Texas** | 26% |
| **Louisiana** | 23% | **Utah** | 18% |
| **Maine** | 34% | **Vermont** | 41% |
| **Maryland** | 29% | **Virginia** | 26% |
| **Massachusetts** | 31% | **Washington** | 31% |
| **Michigan** | 32% | **West Virginia** | 29% |
| **Minnesota** | 23% | **Wisconsin** | 22% |
| **Mississippi** | 26% | **Wyoming** | 24% |
| **Missouri** | 27% | **United States** | 28% |

[12] The National Center for Public Policy and Higher Education, "Measuring Up 2004: The National Report Card on Higher Education."

| Borrowers Across the Nation Would Save Thousands from Democratic Plan to Cut Student Interest Rates | | | |
|---|---|---|---|
| State Name | Savings for Average Borrower of Democratic Interest Rate Cut[13] | State Name | Savings for Average Borrower of Democratic Interest Rate Cut |
| **Alabama** | $3,455 | **Montana** | $3,384 |
| **Alaska** | $2,588 | **Nebraska** | $3,470 |
| **Arizona** | $3,217 | **Nevada** | $2,563 |
| **Arkansas** | $3,475 | **New Hampshire** | $4,265 |
| **California** | $3,067 | **New Jersey** | $3,289 |
| **Colorado** | $3,366 | **New Mexico** | $2,549 |
| **Connecticut** | $3,818 | **New York** | $3,518 |
| **Delaware** | $3,138 | **North Carolina** | $3,295 |
| **District of Columbia** | $4,334 | **North Dakota** | $4,265 |
| **Florida** | $3,713 | **Ohio** | $3,932 |
| **Georgia** | $3,066 | **Oklahoma** | $3,258 |
| **Hawaii** | $2,942 | **Oregon** | $3,620 |
| **Idaho** | $4,903 | **Pennsylvania** | $3,972 |
| **Illinois** | $3,220 | **Rhode Island** | $4,164 |
| **Indiana** | $3,701 | **South Carolina** | $3,346 |
| **Iowa** | $4,404 | **South Dakota** | $3,778 |
| **Kansas** | $3,205 | **Tennessee** | $3,868 |
| **Kentucky** | $3,114 | **Texas** | $3,323 |
| **Louisiana** | $3,505 | **Utah** | $2,208 |
| **Maine** | $3,667 | **Vermont** | $4,120 |
| **Maryland** | $3,011 | **Virginia** | $3,294 |
| **Massachusetts** | $3,470 | **Washington** | $3,520 |
| **Michigan** | $3,587 | **West Virginia** | $3,538 |
| **Minnesota** | $3,892 | **Wisconsin** | $3,361 |
| **Mississippi** | $2,906 | **Wyoming** | N/A |
| **Missouri** | $3,134 | **United States[14]** | $3,859 |

[13] Calculations by HELP Committee staff based on interest rate cut from 6.8% fixed rate to 3.4% fixed rate and average student aid debt per graduate (Project on Student Debt at The Institute for College Access and Success calculations from campus data available on www.economicdiversity.org), assuming 10-year loan repayment.
[14] National average total student aid debt per graduate from NCES, "National Postsecondary Student Aid Study 2004," compiled by Congressional Research Service.

| Democratic Plan to Make Debt Repayment Contingent on Income Would Significantly Reduce Monthly Loan Payments for Starting Teachers[15] | | | | |
|---|---|---|---|---|
| State | Starting Teachers' Salary | State Average Debt per Graduate | Reduction in Monthly Loan Payment | Percent Reduction in Monthly Loan Payment |
| **Alabama** | $30,973 | $17,277 | $50 | 25% |
| **Alaska** | $40,027 | $12,948 | $22 | 15% |
| **Arizona** | $28,236 | $16,089 | $52 | 28% |
| **Arkansas** | $26,129 | $17,383 | $62 | 31% |
| **California** | $35,135 | $15,340 | $36 | 21% |
| **Colorado** | $31,296 | $16,833 | $48 | 25% |
| **Connecticut** | $34,462 | $19,093 | $47 | 21% |
| **Delaware** | $34,566 | $15,694 | $38 | 21% |
| **District of Columbia** | $38,566 | $21,675 | $42 | 17% |
| **Florida** | $30,969 | $18,574 | $54 | 25% |
| **Georgia** | $35,116 | $15,337 | $36 | 21% |
| **Hawaii** | $37,615 | $14,716 | $30 | 18% |
| **Idaho** | $25,908 | $24,527 | $89 | 31% |
| **Illinois** | $35,114 | $16,104 | $38 | 21% |
| **Indiana** | $29,784 | $18,506 | $56 | 26% |
| **Iowa** | $26,967 | $22,025 | $75 | 30% |
| **Kansas** | $28,530 | $16,029 | $51 | 28% |
| **Kentucky** | $28,416 | $15,579 | $50 | 28% |
| **Louisiana** | $29,655 | $17,531 | $53 | 26% |
| **Maine** | $25,901 | $18,341 | $66 | 31% |
| **Maryland** | $33,760 | $15,054 | $38 | 22% |
| **Massachusetts** | $34,041 | $17,353 | $43 | 22% |
| **Michigan** | $34,377 | $17,941 | $44 | 21% |
| **Minnesota** | $30,772 | $19,468 | $57 | 25% |
| **Mississippi** | $28,106 | $14,534 | $47 | 28% |
| **Missouri** | $28,938 | $15,678 | $49 | 27% |

[15] HELP Committee estimates calculated using the U.S. Department of Education's "Income Contingent Repayment Plan Calculator" (http://www.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry2.html ), using average debt levels calculated by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Calculations based on formula for current Income Contingent Repayment option in the Direct Loan Program (either 20% cap on income or income percentage factors); actual reduction in monthly payment resulting from Democratic proposal to cap payments at 15% of income might differ slightly from estimates provided. Democratic proposal also expands income contingent repayment option to all borrowers.

| Democratic Plan to Make Debt Repayment Contingent on Income Would Significantly Reduce Monthly Loan Payments for Starting Teachers[16] | | | | |
|---|---|---|---|---|
| State | Starting Teachers' Salary | State Average Debt per Graduate | Reduction in Monthly Loan Payment | Percent Reduction in Monthly Loan Payment |
| **Montana** | $24,032 | $16,920 | $67 | 35% |
| **Nebraska** | $28,527 | $17,356 | $55 | 28% |
| **Nevada** | $27,942 | $12,818 | $42 | 28% |
| **New Hampshire** | $27,367 | $21,332 | $71 | 29% |
| **New Jersey** | $37,061 | $16,450 | $35 | 18% |
| **New Mexico** | $31,920 | $12,746 | $35 | 24% |
| **New York** | $36,400 | $17,594 | $39 | 19% |
| **North Carolina** | $27,572 | $16,484 | $54 | 29% |
| **North Dakota** | $24,108 | $21,331 | $85 | 34% |
| **Ohio** | $28,692 | $19,665 | $62 | 27% |
| **Oklahoma** | $29,473 | $16,297 | $50 | 27% |
| **Oregon** | $33,396 | $18,105 | $47 | 22% |
| **Pennsylvania** | $34,140 | $19,866 | $50 | 22% |
| **Rhode Island** | $32,902 | $20,826 | $55 | 23% |
| **South Carolina** | $27,883 | $16,734 | $55 | 28% |
| **South Dakota** | $25,504 | $18,889 | $70 | 32% |
| **Tennessee** | $30,449 | $19,346 | $57 | 26% |
| **Texas** | $32,741 | $16,618 | $44 | 23% |
| **Utah** | $26,130 | $11,039 | $39 | 31% |
| **Vermont** | $25,819 | $20,604 | $75 | 32% |
| **Virginia** | $32,437 | $16,474 | $45 | 23% |
| **Washington** | $30,159 | $17,601 | $52 | 26% |
| **West Virginia** | $26,692 | $17,697 | $61 | 30% |
| **Wisconsin** | $23,952 | $16,815 | $67 | 35% |
| **Wyoming[17]** | $28,900 | $19,300 | $61 | 27% |
| **United States[18]** | $31,704 | $19,300 | $54 | 24% |

[16] HELP Committee estimates calculated using the U.S. Department of Education's "Income Contingent Repayment Plan Calculator" (http://www.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry2.html ), using average debt levels calculated by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Calculations based on formula for current Income Contingent Repayment option in the Direct Loan Program (either 20% cap on income or income percentage factors); actual reduction in monthly payment resulting from Democratic proposal to cap payments at 15% of income might differ slightly from estimates provided. Democratic proposal also expands income contingent repayment option to all borrowers.

[17] Wyoming debt data not available. Calculation based on U.S. average debt level.

[18] National average total student aid debt per graduate from NCES, "National Postsecondary Student Aid Study 2004," compiled by Congressional Research Service.

## Democratic Proposal to Increase the Pell Grant to $5,100 Would Mean More Aid for Over Five Million Needy Students

| | Award Year 2007-2008 $4,050 Max. Award (Current Services)* | | | Award Year 2007-2008 $5,100 Max. Award* | | | Award Year 2007-2008 Increase with $5,100 Max Award | | |
|---|---|---|---|---|---|---|---|---|---|
| State Name | Aid Available | Recipients | Average Award | Aid Available | Recipients | Average Award | Increase in Aid Available | Increase in Recipients | Increase in Average Award |
| Alabama | $267,343,000 | 104,576 | $2,556 | $358,974,948 | 110,881 | $3,237 | $91,631,948 | 6,305 | $681 |
| Alaska | $10,851,000 | 4,855 | $2,235 | $14,570,407 | 5,148 | $2,830 | $3,719,407 | 293 | $595 |
| Arizona | $392,913,000 | 181,889 | $2,160 | $528,681,028 | 193,063 | $2,738 | $135,768,028 | 11,174 | $578 |
| Arkansas | $150,632,000 | 59,078 | $2,550 | $202,260,929 | 62,641 | $3,229 | $51,628,929 | 3,563 | $679 |
| California | $1,488,578,000 | 581,505 | $2,560 | $1,936,237,922 | 603,272 | $3,210 | $447,659,922 | 21,767 | $650 |
| Colorado | $173,257,000 | 74,721 | $2,319 | $232,640,758 | 79,226 | $2,936 | $59,383,758 | 4,505 | $617 |
| Connecticut | $77,322,000 | 35,526 | $2,176 | $103,823,669 | 37,668 | $2,756 | $26,501,669 | 2,142 | $580 |
| Delaware | $21,661,000 | 10,039 | $2,158 | $29,085,730 | 10,645 | $2,732 | $7,424,730 | 606 | $574 |
| District of Columbia | $39,794,000 | 17,073 | $2,331 | $53,433,167 | 18,103 | $2,952 | $13,639,167 | 1,030 | $621 |
| Florida | $722,888,000 | 303,522 | $2,382 | $964,104,568 | 318,347 | $3,028 | $241,216,568 | 14,825 | $646 |
| Georgia | $429,185,000 | 176,654 | $2,430 | $572,618,240 | 185,667 | $3,084 | $143,433,240 | 9,013 | $654 |
| Hawaii | $31,838,000 | 12,796 | $2,488 | $42,750,776 | 13,567 | $3,151 | $10,912,776 | 771 | $663 |
| Idaho | $81,477,000 | 31,850 | $2,558 | $109,403,014 | 33,770 | $3,240 | $27,926,014 | 1,920 | $682 |
| Illinois | $510,144,000 | 204,742 | $2,492 | $681,585,734 | 214,789 | $3,173 | $171,441,734 | 10,047 | $681 |
| Indiana | $238,871,000 | 106,682 | $2,239 | $320,743,800 | 113,115 | $2,836 | $81,872,800 | 6,433 | $597 |
| Iowa | $156,588,000 | 69,040 | $2,268 | $210,258,702 | 73,203 | $2,872 | $53,670,702 | 4,163 | $604 |
| Kansas | $122,213,000 | 52,685 | $2,320 | $164,102,132 | 55,862 | $2,938 | $41,889,132 | 3,177 | $618 |
| Kentucky | $203,884,000 | 83,461 | $2,443 | $273,765,073 | 88,494 | $3,094 | $69,881,073 | 5,033 | $651 |
| Louisiana | $250,917,000 | 96,612 | $2,597 | $336,918,195 | 102,438 | $3,289 | $86,001,195 | 5,826 | $692 |
| Maine | $45,014,000 | 19,123 | $2,354 | $60,443,034 | 20,276 | $2,981 | $15,429,034 | 1,153 | $627 |
| Maryland | $155,387,000 | 69,394 | $2,239 | $208,645,506 | 73,578 | $2,836 | $53,258,506 | 4,184 | $597 |
| Massachusetts | $183,315,000 | 78,701 | $2,329 | $246,145,707 | 83,446 | $2,950 | $62,830,707 | 4,745 | $621 |
| Michigan | $403,731,000 | 168,506 | $2,396 | $544,208,914 | 179,938 | $3,024 | $140,477,914 | 11,432 | $628 |
| Minnesota | $173,637,000 | 77,702 | $2,235 | $233,151,223 | 82,387 | $2,830 | $59,514,223 | 4,685 | $595 |
| Mississippi | $206,667,000 | 76,428 | $2,704 | $277,501,644 | 81,036 | $3,424 | $70,834,644 | 4,608 | $720 |
| Missouri | $235,124,000 | 101,507 | $2,316 | $315,712,839 | 107,628 | $2,933 | $80,588,839 | 6,121 | $617 |
| Montana | $47,370,000 | 18,711 | $2,532 | $63,606,712 | 19,839 | $3,206 | $16,236,712 | 1,128 | $674 |
| Nebraska | $69,232,000 | 31,072 | $2,228 | $92,961,621 | 32,946 | $2,822 | $23,729,621 | 1,874 | $594 |
| Nevada | $42,326,000 | 18,938 | $2,235 | $56,832,740 | 20,080 | $2,830 | $14,506,740 | 1,142 | $595 |
| New Hampshire | $30,958,000 | 14,244 | $2,173 | $41,568,934 | 15,103 | $2,752 | $10,610,934 | 859 | $579 |

## Democratic Proposal to Increase the Pell Grant to $5,100 Would Mean More Aid for Over Five Million Needy Students

| | Award Year 2007-2008 | | | Award Year 2007-2008 | | | Award Year 2007-2008 | | |
|---|---|---|---|---|---|---|---|---|---|
| | $4,050 Max. Award (Current Services)* | | | $5,100 Max. Award* | | | Increase with $5,100 Max Award | | |
| **New Jersey** | $251,753,000 | 102,172 | $2,464 | $338,040,630 | 108,333 | $3,120 | $86,287,630 | 6,161 | $656 |
| **New Mexico** | $102,063,000 | 42,448 | $2,404 | $137,045,257 | 45,008 | $3,045 | $34,982,257 | 2,560 | $641 |
| **New York** | $967,302,000 | 380,414 | $2,543 | $1,289,071,972 | 400,279 | $3,220 | $321,769,972 | 19,865 | $677 |
| **North Carolina** | $346,801,000 | 144,389 | $2,402 | $466,209,727 | 152,534 | $3,056 | $119,408,727 | 8,145 | $654 |
| **North Dakota** | $37,613,000 | 15,395 | $2,443 | $50,504,548 | 16,323 | $3,094 | $12,891,548 | 928 | $651 |
| **Ohio** | $467,725,000 | 193,244 | $2,420 | $629,620,211 | 206,565 | $3,048 | $161,895,211 | 13,321 | $628 |
| **Oklahoma** | $192,384,000 | 78,991 | $2,436 | $258,323,171 | 83,754 | $3,084 | $65,939,171 | 4,763 | $648 |
| **Oregon** | $148,395,000 | 62,218 | $2,385 | $199,256,933 | 65,969 | $3,020 | $50,861,933 | 3,751 | $635 |
| **Pennsylvania** | $435,876,000 | 182,497 | $2,388 | $595,196,010 | 196,752 | $3,025 | $159,320,010 | 14,255 | $637 |
| **Rhode Island** | $50,809,000 | 21,961 | $2,314 | $68,223,206 | 23,285 | $2,930 | $17,414,206 | 1,324 | $616 |
| **South Carolina** | $187,802,000 | 78,851 | $2,382 | $252,171,491 | 83,605 | $3,016 | $64,369,491 | 4,754 | $634 |
| **South Dakota** | $42,757,000 | 17,983 | $2,378 | $57,412,599 | 19,068 | $3,011 | $14,655,599 | 1,085 | $633 |
| **Tennessee** | $243,778,000 | 101,931 | $2,392 | $327,333,197 | 108,077 | $3,029 | $83,555,197 | 6,146 | $637 |
| **Texas** | $1,021,239,000 | 422,666 | $2,416 | $1,351,317,392 | 440,698 | $3,066 | $330,078,392 | 18,032 | $650 |
| **Utah** | $149,868,000 | 62,950 | $2,381 | $201,235,191 | 66,745 | $3,015 | $51,367,191 | 3,795 | $634 |
| **Vermont** | $20,612,000 | 9,233 | $2,232 | $27,677,304 | 9,789 | $2,827 | $7,065,304 | 556 | $595 |
| **Virginia** | $230,662,000 | 98,680 | $2,337 | $309,722,021 | 104,630 | $2,960 | $79,060,021 | 5,950 | $623 |
| **Washington** | $206,722,000 | 87,967 | $2,350 | $277,576,601 | 93,271 | $2,976 | $70,854,601 | 5,304 | $626 |
| **West Virginia** | $96,617,000 | 37,722 | $2,561 | $129,732,727 | 39,997 | $3,244 | $33,115,727 | 2,275 | $683 |
| **Wisconsin** | $159,212,000 | 70,161 | $2,269 | $213,781,476 | 74,391 | $2,874 | $54,569,476 | 4,230 | $605 |
| **Wyoming** | $21,679,000 | 9,156 | $2,368 | $29,109,644 | 9,708 | $2,999 | $7,430,644 | 552 | $631 |
| **United States** | $12,980,008,804 | 5,314,907 | $2,442 | $17,301,438,379 | 5,600,719 | $3,089 | $4,321,429,575 | 285,812 | $647 |

*Estimate does not include any of the proposed changes to Pell in the President's FY2007 Budget.

Note: Estimates are from the PB 2007 update. United States totals include Puerto Rico and other U.S. Territories

*Source: American Council on Education and HELP Committee Calculations*

| Millions of Students and Families Have Benefited from the College Tuition Tax Deduction | | | |
|---|---|---|---|
| State Name | Students and Families Benefiting from Tuition Tax Deduction[19] | State Name | Students and Families Benefiting from Tuition Tax Deduction |
| Alabama | 39,157 | Montana | 11,411 |
| Alaska | 13,636 | Nebraska | 25,509 |
| Arizona | 74,301 | Nevada | 25,776 |
| Arkansas | 18,969 | New Hampshire | 18,336 |
| California | 475,242 | New Jersey | 121,775 |
| Colorado | 73,680 | New Mexico | 25,691 |
| Connecticut | 51,809 | New York | 238,254 |
| Delaware | 11,291 | North Carolina | 90,237 |
| District of Columbia | 8,518 | North Dakota | 8,706 |
| Florida | 163,345 | Ohio | 134,885 |
| Georgia | 90,145 | Oklahoma | 38,421 |
| Hawaii | 17,197 | Oregon | 53,264 |
| Idaho | 18,516 | Pennsylvania | 147,850 |
| Illinois | 181,998 | Rhode Island | 13,820 |
| Indiana | 73,093 | South Carolina | 36,364 |
| Iowa | 37,364 | South Dakota | 8,167 |
| Kansas | 39,948 | Tennessee | 51,587 |
| Kentucky | 35,720 | Texas | 249,008 |
| Louisiana | 45,063 | Utah | 34,229 |
| Maine | 14,429 | Vermont | 7,970 |
| Maryland | 90,237 | Virginia | 104,936 |
| Massachusetts | 97,107 | Washington | 95,236 |
| Michigan | 138,474 | West Virginia | 16,929 |
| Minnesota | 82,496 | Wisconsin | 84,346 |
| Mississippi | 21,094 | Wyoming | 7,551 |
| Missouri | 64,506 | United States | 3,642,075 |

[19] IRS Statistics of Income Division, Tax Year 2003, data compiled by the Senate Finance Committee

# THE COLLEGE COST CRUNCH:

# STATE ANALYSES

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Alabama Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Alabama increased 34%, from $7,338 to $9,819 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Alabama increased 23% from $14,248 to $17,520 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in Alabama have increased only 3% since 2000.[2] After financial aid is taken into account, 27% of the average family income in Alabama is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Alabama the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 41% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 62% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Alabama, 62% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Alabama owed $17,277 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Alabama Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Alabama college graduates would save $3,455 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Alabama earning $30,973,[12] who graduate with the state average student loan debt of $17,277,[13] would see a reduction of about $50,[14] or 25%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 6,305 more Alabama college students would be eligible for $91,631,948 in additional need-based grant aid.[15] The average grant in Alabama would increase by $681, from $2,556 to $3,237.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 39,157 Alabama students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Alaska Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Alaska increased 18%, from $8,386 to $9,936 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Alaska increased 49% from $14,378 to $21,423 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 18%, median family incomes in Alaska have increased only 4% since 2000.[2] After financial aid is taken into account, 21% of the average family income in Alaska is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Alaska the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 41% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 53% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Alaska, 53% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Alaska owed $12,948 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Alaska Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Alaska college graduates would save $2,588 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Alaska earning $40,027,[12] who graduate with the state average student loan debt of $12,948,[13] would see a reduction of about $22,[14] or 15%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 293 more Alaska college students would be eligible for $3,719,407 in additional need-based grant aid.[15] The average grant in Alaska would increase by $595, from $2,235 to $2,830.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 13,636 Alaska students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Arizona Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Arizona increased 38%, from $7,872 to $10,863 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Arizona increased 30% from $14,935 to $19,448 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 38%, median family incomes in Arizona have increased only 10% since 2000.[2] After financial aid is taken into account, 30% of the average family income in Arizona is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Arizona the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 37% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 55% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Arizona, 59% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Arizona owed $16,089 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Arizona Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Arizona college graduates would save $3,217 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Arizona earning $28,236,[12] who graduate with the state average student loan debt of $16,089,[13] would see a reduction of about $52,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 11,174 more Arizona college students would be eligible for $135,768,028 in additional need-based grant aid.[15] The average grant in Arizona would increase by $578, from $2,160 to $2,738.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 74,301 Arizona students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Arkansas Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Arkansas increased 29%, from $6,789 to $8,734 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Arkansas increased 28% from $13,361 to $17,040 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 29%, median family incomes in Arkansas have increased only 18% since 2000.[2] After financial aid is taken into account, 26% of the average family income in Arkansas is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Arkansas the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 46% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 75% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Arkansas, 55% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Arkansas owed $17,383 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Arkansas Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Arkansas college graduates would save $3,475 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Arkansas earning $26,129,[12] who graduate with the state average student loan debt of $17,383,[13] would see a reduction of about $62,[14] or 31%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 3,563 more Arkansas college students would be eligible for $51,628,929 in additional need-based grant aid.[15] The average grant in Arkansas would increase by $679, from $2,550 to $3,229.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 18,969 Arkansas students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, California Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in California increased 39%, from $9,592 to $13,356 for tuition, fees, room and board. The cost of attendance at four-year private colleges in California increased 21% from $24,993 to $30,186 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 39%, median family incomes in California have increased only 5% since 2000.[2] After financial aid is taken into account, 32% of the average family income in California is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In California the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 30% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 40% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In California, 56% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in California owed $15,340 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help California Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, California college graduates would save $3,067 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in California earning $35,135,[12] who graduate with the state average student loan debt of $15,340,[13] would see a reduction of about $36,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 21,767 more California college students would be eligible for $447,659,922 in additional need-based grant aid.[15] The average grant in California would increase by $650, from $2,560 to $3,210.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 475,242 California students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Colorado Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Colorado increased 23%, from $8,360 to $10,243 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Colorado increased 16% from $23,599 to $27,361 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 23%, median family incomes in Colorado have increased only 6% since 2000.[2] After financial aid is taken into account, 24% of the average family income in Colorado is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Colorado the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 40% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 47% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Colorado, 55% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Colorado owed $16,833 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Colorado Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Colorado college graduates would save $3,366 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Colorado earning $31,296,[12] who graduate with the state average student loan debt of $16,833,[13] would see a reduction of about $48,[14] or 25%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,505 more Colorado college students would be eligible for $59,383,758 in additional need-based grant aid.[15] The average grant in Colorado would increase by $617, from $2,319 to $2,936.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 73,680 Colorado students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Connecticut Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Connecticut increased 32%, from $10,512 to $13,824 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Connecticut increased 22% from $27,818 to $33,965 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 32%, median family incomes in Connecticut have increased only 10% since 2000.[2] After financial aid is taken into account, 29% of the average family income in Connecticut is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Connecticut the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 29% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 49% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Connecticut, 59% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Connecticut owed $19,093 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Connecticut Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Connecticut college graduates would save $3,818 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Connecticut earning $34,462,[12] who graduate with the state average student loan debt of $19,093,[13] would see a reduction of about $47,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 2,142 more Connecticut college students would be eligible for $26,501,669 in additional need-based grant aid.[15] The average grant in Connecticut would increase by $580, from $2,176 to $2,756.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 51,809 Connecticut students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Delaware Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Delaware increased 30%, from $10,290 to $13,353 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Delaware increased 24% from $14,041 to $17,368 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 30%, median family incomes in Delaware have actually decreased by 5% since 2000.[2] After financial aid is taken into account, 30% of the average family income in Delaware is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Delaware the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 30% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 54% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Delaware, 46% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Delaware owed $15,694 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Delaware Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Delaware college graduates would save $3,138 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Delaware earning $34,566,[12] who graduate with the state average student loan debt of $15,694,[13] would see a reduction of about $38,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 606 more Delaware college students would be eligible for $7,424,730 in additional need-based grant aid.[15] The average grant in Delaware would increase by $574, from $2,158 to $2,732.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 11,291 Delaware students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, District of Columbia Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** In the 2004-2005 school year, the cost of tuition and fees at a four-year public college in District of Columbia was $2,070. The cost of attendance at four-year private colleges in District of Columbia increased 16% between the 2000-2001 and 2004-2005 school years, from $27,143 to $31,594 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While college costs have increased across the nation, median family incomes in District of Columbia have increased only 5% since 2000.[2]

**Federal Student Aid Has Eroded Over Time.** In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In District of Columbia, 53% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in District of Columbia owed $21,675 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help District of Columbia Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, District of Columbia college graduates would save $4,334 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in District of Columbia earning $38,566,[12] who graduate with the state average student loan debt of $21,675,[13] would see a reduction of about $42,[14] or 17%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,030 more District of Columbia college students would be eligible for $13,639,167 in additional need-based grant aid.[15] The average grant in District of Columbia would increase by $621, from $2,331 to $2,952.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 8,518 District of Columbia students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Florida Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Florida increased 18%, from $7,944 to $9,335 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Florida increased 20% from $19,800 to $23,793 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 18%, median family incomes in Florida have increased only 4% since 2000.[2] After financial aid is taken into account, 25% of the average family income in Florida is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Florida the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 54% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Florida, 58% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Florida owed $18,574 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Florida Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Florida college graduates would save $3,713 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Florida earning $30,969,[12] who graduate with the state average student loan debt of $18,574,[13] would see a reduction of about $54,[14] or 25%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 14,825 more Florida college students would be eligible for $241,216,568 in additional need-based grant aid.[15] The average grant in Florida would increase by $646, from $2,382 to $3,028.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 163,345 Florida students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Georgia Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Georgia increased 27%, from $7,455 to $9,439 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Georgia increased 25% from $19,743 to $24,734 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 27%, median family incomes in Georgia have actually decreased 2% since 2000.[2] After financial aid is taken into account, 24% of the average family income in Georgia is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Georgia the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 58% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Georgia, 53% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Georgia owed $15,337 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Georgia Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Georgia college graduates would save $3,066 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Georgia earning $35,116,[12] who graduate with the state average student loan debt of $15,337,[13] would see a reduction of about $36,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 9,013 more Georgia college students would be eligible for $143,433,240 in additional need-based grant aid.[15] The average grant in Georgia would increase by $654, from $2,430 to $3,084.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 90,145 Georgia students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Hawaii Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Hawaii increased 10%, from $8,286 to $9,131 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Hawaii increased 12% from $15,997 to $17,866 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 10%, median family incomes in Hawaii have just kept pace, also increasing 10% since 2000.[2] After financial aid is taken into account, 23% of the average family income in Hawaii is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Hawaii the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 44% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 49% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Hawaii, 41% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Hawaii owed $14,716 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Hawaii Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Hawaii college graduates would save $2,942 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Hawaii earning $37,615,[12] who graduate with the state average student loan debt of $14,716,[13] would see a reduction of about $30,[14] or 18%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 771 more Hawaii college students would be eligible for $10,912,776 in additional need-based grant aid.[15] The average grant in Hawaii would increase by $663, from $2,488 to $3,151.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 17,197 Hawaii students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Idaho Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Idaho increased 34%, from $6,763 to $9,066 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in Idaho have increased only 18% since 2000.[2] After financial aid is taken into account, 22% of the average family income in Idaho is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Idaho the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 45% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 56% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Idaho, 54% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Idaho owed $24,527 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Idaho Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Idaho college graduates would save $4,903 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Idaho earning $25,908,[12] who graduate with the state average student loan debt of $24,527,[13] would see a reduction of about $89,[14] or 31%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,920 more Idaho college students would be eligible for $27,926,014 in additional need-based grant aid.[15] The average grant in Idaho would increase by $682, from $2,558 to $3,240.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 18,516 Idaho students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Illinois Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Illinois increased 34%, from $9,533 to $12,803 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Illinois increased 23% from $21,941 to $26,966 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in Illinois have increased less than 1% since 2000.[2] After financial aid is taken into account, 30% of the average family income in Illinois is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Illinois the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 32% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 47% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Illinois, 66% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Illinois owed $16,104 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Illinois Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Illinois college graduates would save $3,220 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Illinois earning $35,114,[12] who graduate with the state average student loan debt of $16,104,[13] would see a reduction of about $38,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 10,047 more Illinois college students would be eligible for $171,441,734 in additional need-based grant aid.[15] The average grant in Illinois would increase by $681, from $2,492 to $3,173.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 181,998 Illinois students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Indiana Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Indiana increased 33%, from $9,232 to $12,240 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Indiana increased 24% from $21,390 to $26,490 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 33%, median family incomes in Indiana have increased only 4% since 2000.[2] After financial aid is taken into account, 29% of the average family income in Indiana is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Indiana the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 33% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 44% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Indiana, 65% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Indiana owed $18,506 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Indiana Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Indiana college graduates would save $3,701 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Indiana earning $29,784,[12] who graduate with the state average student loan debt of $18,506,[13] would see a reduction of about $56,[14] or 26%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 6,433 more Indiana college students would be eligible for $81,872,800 in additional need-based grant aid.[15] The average grant in Indiana would increase by $597, from $2,239 to $2,836.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 73,093 Indiana students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Iowa Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Iowa increased 52%, from $7,589 to $11,541 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Iowa increased 18% from $19,454 to $23,012 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 52%, median family incomes in Iowa have increased only 6% since 2000.[2] After financial aid is taken into account, 28% of the average family income in Iowa is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Iowa the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 35% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 61% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Iowa, 77% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Iowa owed $22,025 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Iowa Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Iowa college graduates would save $4,404 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Iowa earning $26,967,[12] who graduate with the state average student loan debt of $22,025,[13] would see a reduction of about $75,[14] or 30%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,163 more Iowa college students would be eligible for $53,670,702 in additional need-based grant aid.[15] The average grant in Iowa would increase by $604, from $2,268 to $2,872.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 37,364 Iowa students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Kansas Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Kansas increased 41%, from $6,650 to $9,397 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Kansas increased 26% from $15,627 to $19,736 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 41%, median family incomes in Kansas have increased less than 1% since 2000.[2] After financial aid is taken into account, 23% of the average family income in Kansas is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Kansas the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 60% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Kansas, 69% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Kansas owed $16,029 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Kansas Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Kansas college graduates would save $3,205 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Kansas earning $28,530,[12] who graduate with the state average student loan debt of $16,029,[13] would see a reduction of about $51,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 3,177 more Kansas college students would be eligible for $41,889,132 in additional need-based grant aid.[15] The average grant in Kansas would increase by $618, from $2,320 to $2,938.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 39,948 Kansas students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Kentucky Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Kentucky increased 36%, from $6,921 to $9,400 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Kentucky increased 31% from $14,727 to $19,262 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 36%, median family incomes in Kentucky have actually decreased 2% since 2000.[2] After financial aid is taken into account, 22% of the average family income in Kentucky is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Kentucky the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 64% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Kentucky, 54% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Kentucky owed $15,579 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Kentucky Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Kentucky college graduates would save $3,114 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Kentucky earning $28,416,[12] who graduate with the state average student loan debt of $15,579,[13] would see a reduction of about $50,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 5,033 more Kentucky college students would be eligible for $69,881,073 in additional need-based grant aid.[15] The average grant in Kentucky would increase by $651, from $2,443 to $3,094.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 35,720 Kentucky students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Louisiana Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Louisiana increased 26%, from $6,304 to $7,973 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Louisiana increased 20% from $22,154 to $26,583 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 26%, median family incomes in Louisiana have increased only 19% since 2000.[2] After financial aid is taken into account, 23% of the average family income in Louisiana is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Louisiana the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 51% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 59% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Louisiana, 53% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Louisiana owed $17,531 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Louisiana Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Louisiana college graduates would save $3,505 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Louisiana earning $29,655,[12] who graduate with the state average student loan debt of $17,531,[13] would see a reduction of about $53,[14] or 26%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 5,826 more Louisiana college students would be eligible for $86,001,195 in additional need-based grant aid.[15] The average grant in Louisiana would increase by $692, from $2,597 to $3,289.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 45,063 Louisiana students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Maine Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Maine increased 26%, from $9,361 to $11,826 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Maine increased 25% from $22,689 to $28,371 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 26%, median family incomes in Maine have increased only 11% since 2000.[2] After financial aid is taken into account, 34% of the average family income in Maine is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Maine the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 34% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 46% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Maine, 65% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Maine owed $18,341 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Maine Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Maine college graduates would save $3,667 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Maine earning $25,901,[12] who graduate with the state average student loan debt of $18,341,[13] would see a reduction of about $66,[14] or 31%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,153 more Maine college students would be eligible for $15,429,034 in additional need-based grant aid.[15] The average grant in Maine would increase by $627, from $2,354 to $2,981.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 14,429 Maine students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Maryland Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Maryland increased 30%, from $10,846 to $14,108 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Maryland increased 17% from $26,034 to $30,515 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 30%, median family incomes in Maryland have increased only 5% since 2000.[2] After financial aid is taken into account, 29% of the average family income in Maryland is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Maryland the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 29% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 39% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Maryland, 50% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Maryland owed $15,054 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Maryland Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Maryland college graduates would save $3,011 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Maryland earning $33,760,[12] who graduate with the state average student loan debt of $15,054,[13] would see a reduction of about $38,[14] or 22%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,184 more Maryland college students would be eligible for $53,258,506 in additional need-based grant aid.[15] The average grant in Maryland would increase by $597, from $2,239 to $2,836.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 90,237 Maryland students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Massachusetts Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Massachusetts increased 49%, from $9,206 to $13,687 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Massachusetts increased 24% from $28,669 to $35,470 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 49%, median family incomes in Massachusetts have increased only 12% since 2000.[2] After financial aid is taken into account, 31% of the average family income in Massachusetts is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Massachusetts the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 30% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 50% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Massachusetts, 62% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Massachusetts owed $17,353 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Massachusetts Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Massachusetts college graduates would save $3,470 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Massachusetts earning $34,041,[12] who graduate with the state average student loan debt of $17,353,[13] would see a reduction of about $43,[14] or 22%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,745 more Massachusetts college students would be eligible for $62,830,707 in additional need-based grant aid.[15] The average grant in Massachusetts would increase by $621, from $2,329 to $2,950.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 97,107 Massachusetts students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Michigan Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Michigan increased 29%, from $9,841 to $12,658 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Michigan increased 20% from $16,040 to $19,286 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 29%, median family incomes in Michigan have actually decreased 7% since 2000.[2] After financial aid is taken into account, 32% of the average family income in Michigan is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Michigan the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 32% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 44% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Michigan, 57% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Michigan owed $17,941 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Michigan Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Michigan college graduates would save $3,587 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Michigan earning $34,377,[12] who graduate with the state average student loan debt of $17,941,[13] would see a reduction of about $44,[14] or 21%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 11,432 more Michigan college students would be eligible for $140,477,914 in additional need-based grant aid.[15] The average grant in Michigan would increase by $628, from $2,396 to $3,024.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 138,474 Michigan students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Minnesota Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Minnesota increased 47%, from $8,146 to $11,958 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Minnesota increased 20% from $21,556 to $25,946 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 47%, median family incomes in Minnesota have increased only 3% since 2000.[2] After financial aid is taken into account, 23% of the average family income in Minnesota is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Minnesota the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 34% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 52% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Minnesota, 67% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Minnesota owed $19,468 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Minnesota Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Minnesota college graduates would save $3,892 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Minnesota earning $30,772,[12] who graduate with the state average student loan debt of $19,468,[13] would see a reduction of about $57,[14] or 25%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,685 more Minnesota college students would be eligible for $59,514,223 in additional need-based grant aid.[15] The average grant in Minnesota would increase by $595, from $2,235 to $2,830.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 82,496 Minnesota students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Mississippi Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Mississippi increased 26%, from $7,181 to $9,019 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Mississippi increased 20% from $13,717 to $16,460 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 26%, median family incomes in Mississippi have increased only 2% since 2000.[2] After financial aid is taken into account, 26% of the average family income in Mississippi is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Mississippi the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 45% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 54% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Mississippi, 57% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Mississippi owed $14,534 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Mississippi Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Mississippi college graduates would save $2,906 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Mississippi earning $28,106,[12] who graduate with the state average student loan debt of $14,534,[13] would see a reduction of about $47,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,608 more Mississippi college students would be eligible for $70,834,644 in additional need-based grant aid.[15] The average grant in Mississippi would increase by $720, from $2,704 to $3,424.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 21,094 Mississippi students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Missouri Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Missouri increased 38%, from $8,201 to $11,356 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Missouri increased 20% from $17,852 to $21,431 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 38%, median family incomes in Missouri have actually decreased 7% since 2000.[2] After financial aid is taken into account, 27% of the average family income in Missouri is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Missouri the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 36% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 62% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Missouri, 65% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Missouri owed $15,678 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Missouri Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Missouri college graduates would save $3,134 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Missouri earning $28,938,[12] who graduate with the state average student loan debt of $15,678,[13] would see a reduction of about $49,[14] or 27%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 6,121 more Missouri college students would be eligible for $80,588,839 in additional need-based grant aid.[15] The average grant in Missouri would increase by $617, from $2,316 to $2,933.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 64,506 Missouri students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Montana Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Montana increased 30%, from $7,607 to $9,867 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Montana increased 25% from $14,298 to $17,918 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 30%, median family incomes in Montana have increased only 4% since 2000.[2] After financial aid is taken into account, 31% of the average family income in Montana is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Montana the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 41% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 51% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Montana, 55% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Montana owed $16,920 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Montana Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Montana college graduates would save $3,384 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Montana earning $24,032,[12] who graduate with the state average student loan debt of $16,920,[13] would see a reduction of about $67,[14] or 35%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,128 more Montana college students would be eligible for $16,236,712 in additional need-based grant aid.[15] The average grant in Montana would increase by $674, from $2,532 to $3,206.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 11,411 Montana students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Nebraska Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Nebraska increased 46%, from $7,335 to $10,704 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Nebraska increased 20% from $16,381 to $19,725 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 46%, median family incomes in Nebraska have increased only 5% since 2000.[2] After financial aid is taken into account, 24% of the average family income in Nebraska is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Nebraska the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 38% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 63% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Nebraska, 67% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Nebraska owed $17,356 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Nebraska Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Nebraska college graduates would save $3,470 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Nebraska earning $28,527,[12] who graduate with the state average student loan debt of $17,356,[13] would see a reduction of about $55,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,874 more Nebraska college students would be eligible for $23,729,621 in additional need-based grant aid.[15] The average grant in Nebraska would increase by $594, from $2,228 to $2,822.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 25,509 Nebraska students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Nevada Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Nevada increased 27%, from $8,252 to $10,464 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Nevada increased 18% from $17,397 to $20,594 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 27%, median family incomes in Nevada have increased only 3% since 2000.[2] After financial aid is taken into account, 27% of the average family income in Nevada is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Nevada the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 39% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 60% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Nevada, 44% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Nevada owed $12,818 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Nevada Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Nevada college graduates would save $2,563 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Nevada earning $27,942,[12] who graduate with the state average student loan debt of $12,818,[13] would see a reduction of about $42,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,142 more Nevada college students would be eligible for $14,506,740 in additional need-based grant aid.[15] The average grant in Nevada would increase by $595, from $2,235 to $2,830.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 25,776 Nevada students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, New Hampshire Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in New Hampshire increased 25%, from $11,717 to $14,651 for tuition, fees, room and board. The cost of attendance at four-year private colleges in New Hampshire increased 21% from $24,525 to $29,728 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 25%, median family incomes in New Hampshire have increased only 12% since 2000.[2] After financial aid is taken into account, 32% of the average family income in New Hampshire is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In New Hampshire the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 28% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 46% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In New Hampshire, 67% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in New Hampshire owed $21,332 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help New Hampshire Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, New Hampshire college graduates would save $4,265 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in New Hampshire earning $27,367,[12] who graduate with the state average student loan debt of $21,332,[13] would see a reduction of about $71,[14] or 29%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 859 more New Hampshire college students would be eligible for $10,610,934 in additional need-based grant aid.[15] The average grant in New Hampshire would increase by $579, from $2,173 to $2,752.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 18,336 New Hampshire students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, New Jersey Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in New Jersey increased 36%, from $11,998 to $16,349 for tuition, fees, room and board. The cost of attendance at four-year private colleges in New Jersey increased 25% from $23,860 to $29,751 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 36%, median family incomes in New Jersey have increased only 10% since 2000.[2] After financial aid is taken into account, 34% of the average family income in New Jersey is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In New Jersey the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 25% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 43% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In New Jersey, 57% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in New Jersey owed $16,450 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help New Jersey Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, New Jersey college graduates would save $3,289 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in New Jersey earning $37,061,[12] who graduate with the state average student loan debt of $16,450,[13] would see a reduction of about $35,[14] or 18%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 6,161 more New Jersey college students would be eligible for $86,287,630 in additional need-based grant aid.[15] The average grant in New Jersey would increase by $656, from $2,464 to $3,120.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 121,775 New Jersey students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, New Mexico Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in New Mexico increased 22%, from $7,085 to $8,675 for tuition, fees, room and board. The cost of attendance at four-year private colleges in New Mexico increased 2% from $18,985 to $19,304 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 22%, median family incomes in New Mexico have increased only 12% since 2000.[2] After financial aid is taken into account, 27% of the average family income in New Mexico is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In New Mexico the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 47% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 58% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In New Mexico, 51% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in New Mexico owed $12,746 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help New Mexico Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, New Mexico college graduates would save $2,549 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in New Mexico earning $31,920,[12] who graduate with the state average student loan debt of $12,746,[13] would see a reduction of about $35,[14] or 24%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 2,560 more New Mexico college students would be eligible for $34,982,257 in additional need-based grant aid.[15] The average grant in New Mexico would increase by $641, from $2,404 to $3,045.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 25,691 New Mexico students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, New York Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in New York increased 21%, from $10,254 to $12,441 for tuition, fees, room and board. The cost of attendance at four-year private colleges in New York increased 23% from $25,171 to $30,907 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 21%, median family incomes in New York have increased only 10% since 2000.[2] After financial aid is taken into account, 32% of the average family income in New York is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In New York the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 33% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 45% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In New York, 59% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in New York owed $17,594 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help New York Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, New York college graduates would save $3,518 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in New York earning $36,400,[12] who graduate with the state average student loan debt of $17,594,[13] would see a reduction of about $39,[14] or 19%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 19,865 more New York college students would be eligible for $321,769,972 in additional need-based grant aid.[15] The average grant in New York would increase by $677, from $2,543 to $3,220.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 238,254 New York students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, North Carolina Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in North Carolina increased 33%, from $7,080 to $9,450 for tuition, fees, room and board. The cost of attendance at four-year private colleges in North Carolina increased 22% from $20,169 to $24,600 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 33%, median family incomes in North Carolina have increased only 5% since 2000.[2] After financial aid is taken into account, 25% of the average family income in North Carolina is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In North Carolina the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 69% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In North Carolina, 62% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in North Carolina owed $16,484 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help North Carolina Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, North Carolina college graduates would save $3,295 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in North Carolina earning $27,572,[12] who graduate with the state average student loan debt of $16,484,[13] would see a reduction of about $54,[14] or 29%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 8,145 more North Carolina college students would be eligible for $119,408,727 in additional need-based grant aid.[15] The average grant in North Carolina would increase by $654, from $2,402 to $3,056.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 90,237 North Carolina students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, North Dakota Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in North Dakota increased 41%, from $6,405 to $9,011 for tuition, fees, room and board. The cost of attendance at four-year private colleges in North Dakota increased 10% from $11,392 to $12,525 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 41%, median family incomes in North Dakota have increased only 9% since 2000.[2] After financial aid is taken into account, 25% of the average family income in North Dakota is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In North Dakota the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 45% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 67% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In North Dakota, 67% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in North Dakota owed $21,331 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help North Dakota Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, North Dakota college graduates would save $4,265 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in North Dakota earning $24,108,[12] who graduate with the state average student loan debt of $21,331,[13] would see a reduction of about $85,[14] or 34%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 928 more North Dakota college students would be eligible for $12,891,548 in additional need-based grant aid.[15] The average grant in North Dakota would increase by $651, from $2,443 to $3,094.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 8,706 North Dakota students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Ohio Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Ohio increased 46%, from $10,449 to $15,256 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Ohio increased 22% from $21,045 to $25,594 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 46%, median family incomes in Ohio have increased less than 1% since 2000.[2] After financial aid is taken into account, 36% of the average family income in Ohio is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Ohio the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 27% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 43% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Ohio, 62% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Ohio owed $19,665 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Ohio Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Ohio college graduates would save $3,932 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Ohio earning $28,692,[12] who graduate with the state average student loan debt of $19,665,[13] would see a reduction of about $62,[14] or 27%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 13,321 more Ohio college students would be eligible for $161,895,211 in additional need-based grant aid.[15] The average grant in Ohio would increase by $628, from $2,420 to $3,048.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 134,885 Ohio students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Oklahoma Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Oklahoma increased 41%, from $6,000 to $8,451 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Oklahoma increased 24% from $15,397 to $19,168 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 41%, median family incomes in Oklahoma have increased only 22% since 2000.[2] After financial aid is taken into account, 23% of the average family income in Oklahoma is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Oklahoma the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 48% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 72% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Oklahoma, 55% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Oklahoma owed $16,297 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Oklahoma Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Oklahoma college graduates would save $3,258 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Oklahoma earning $29,473,[12] who graduate with the state average student loan debt of $16,297,[13] would see a reduction of about $50,[14] or 27%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,763 more Oklahoma college students would be eligible for $65,939,171 in additional need-based grant aid.[15] The average grant in Oklahoma would increase by $648, from $2,436 to $3,084.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 38,421 Oklahoma students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Oregon Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Oregon increased 30%, from $9,397 to $12,177 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Oregon increased 18% from $23,306 to $27,493 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 30%, median family incomes in Oregon have actually decreased 3% since 2000.[2] After financial aid is taken into account, 34% of the average family income in Oregon is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Oregon the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 33% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 53% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Oregon, 63% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Oregon owed $18,105 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Oregon Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Oregon college graduates would save $3,620 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Oregon earning $33,396,[12] who graduate with the state average student loan debt of $18,105,[13] would see a reduction of about $47,[14] or 22%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 3,751 more Oregon college students would be eligible for $50,861,933 in additional need-based grant aid.[15] The average grant in Oregon would increase by $635, from $2,385 to $3,020.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 53,264 Oregon students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Pennsylvania Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Pennsylvania increased 33%, from $11,087 to $14,771 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Pennsylvania increased 24% from $24,779 to $30,637 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 33%, median family incomes in Pennsylvania have increased only 5% since 2000.[2] After financial aid is taken into account, 35% of the average family income in Pennsylvania is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Pennsylvania the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 27% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 41% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Pennsylvania, 72% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Pennsylvania owed $19,866 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Pennsylvania Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Pennsylvania college graduates would save $3,972 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Pennsylvania earning $34,140,[12] who graduate with the state average student loan debt of $19,866,[13] would see a reduction of about $50,[14] or 22%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 14,255 more Pennsylvania college students would be eligible for $159,320,010 in additional need-based grant aid.[15] The average grant in Pennsylvania would increase by $637, from $2,388 to $3,025.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 147,850 Pennsylvania students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Rhode Island Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Rhode Island increased 22%, from $11,104 to $13,541 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Rhode Island increased 18% from $26,157 to $30,907 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 22%, median family incomes in Rhode Island have increased only 14% since 2000.[2] After financial aid is taken into account, 35% of the average family income in Rhode Island is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Rhode Island the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 30% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 39% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Rhode Island, 62% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Rhode Island owed $20,826 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Rhode Island Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Rhode Island college graduates would save $4,164 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Rhode Island earning $32,902,[12] who graduate with the state average student loan debt of $20,826,[13] would see a reduction of about $55,[14] or 23%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,324 more Rhode Island college students would be eligible for $17,414,206 in additional need-based grant aid.[15] The average grant in Rhode Island would increase by $616, from $2,314 to $2,930.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 13,820 Rhode Island students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, South Carolina Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in South Carolina increased 34%, from $9,065 to $12,165 for tuition, fees, room and board. The cost of attendance at four-year private colleges in South Carolina increased 21% from $17,583 to $21,237 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in South Carolina have increased only 3% since 2000.[2] After financial aid is taken into account, 32% of the average family income in South Carolina is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In South Carolina the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 33% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 50% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In South Carolina, 63% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in South Carolina owed $16,734 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help South Carolina Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, South Carolina college graduates would save $3,346 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in South Carolina earning $27,883,[12] who graduate with the state average student loan debt of $16,734,[13] would see a reduction of about $55,[14] or 28%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,754 more South Carolina college students would be eligible for $64,369,491 in additional need-based grant aid.[15] The average grant in South Carolina would increase by $634, from $2,382 to $3,016.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 36,364 South Carolina students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, South Dakota Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in South Dakota increased 28%, from $6,979 to $8,944 for tuition, fees, room and board. The cost of attendance at four-year private colleges in South Dakota increased 17% from $15,398 to $18,076 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 28%, median family incomes in South Dakota have increased only 13% since 2000.[2] After financial aid is taken into account, 23% of the average family income in South Dakota is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In South Dakota the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 45% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 62% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In South Dakota, 72% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in South Dakota owed $18,889 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help South Dakota Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, South Dakota college graduates would save $3,778 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in South Dakota earning $25,504,[12] who graduate with the state average student loan debt of $18,889,[13] would see a reduction of about $70,[14] or 32%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 1,085 more South Dakota college students would be eligible for $14,655,599 in additional need-based grant aid.[15] The average grant in South Dakota would increase by $633, from $2,378 to $3,011.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 8,167 South Dakota students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Tennessee Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Tennessee increased 23%, from $7,661 to $9,445 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Tennessee increased 21% from $18,139 to $22,035 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 23%, median family incomes in Tennessee have increased only 12% since 2000.[2] After financial aid is taken into account, 27% of the average family income in Tennessee is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Tennessee the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 62% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Tennessee, 59% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Tennessee owed $19,346 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Tennessee Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Tennessee college graduates would save $3,868 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Tennessee earning $30,449,[12] who graduate with the state average student loan debt of $19,346,[13] would see a reduction of about $57,[14] or 26%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 6,146 more Tennessee college students would be eligible for $83,555,197 in additional need-based grant aid.[15] The average grant in Tennessee would increase by $637, from $2,392 to $3,029.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 51,587 Tennessee students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Texas Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Texas increased 34%, from $7,634 to $10,233 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Texas increased 31% from $16,973 to $22,218 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in Texas have increased only 7% since 2000.[2] After financial aid is taken into account, 26% of the average family income in Texas is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Texas the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 40% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 55% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Texas, 56% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Texas owed $16,618 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Texas Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Texas college graduates would save $3,323 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Texas earning $32,741,[12] who graduate with the state average student loan debt of $16,618,[13] would see a reduction of about $44,[14] or 23%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 18,032 more Texas college students would be eligible for $330,078,392 in additional need-based grant aid.[15] The average grant in Texas would increase by $650, from $2,416 to $3,066.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 249,008 Texas students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Utah Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Utah increased 26%, from $6,623 to $8,348 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Utah increased 23% from $8,576 to $10,521 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 26%, median family incomes in Utah have increased only 7% since 2000.[2] After financial aid is taken into account, 18% of the average family income in Utah is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Utah the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 49% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 53% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Utah, 44% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Utah owed $11,039 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Utah Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Utah college graduates would save $2,208 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Utah earning $26,130,[12] who graduate with the state average student loan debt of $11,039,[13] would see a reduction of about $39,[14] or 31%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 3,795 more Utah college students would be eligible for $51,367,191 in additional need-based grant aid.[15] The average grant in Utah would increase by $634, from $2,381 to $3,015.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 34,229 Utah students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Vermont Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Vermont increased 22%, from $12,836 to $15,658 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Vermont also increased 22%, from $22,312 to $27,261 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 22%, median family incomes in Vermont have increased only 20% since 2000.[2] After financial aid is taken into account, 41% of the average family income in Vermont is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Vermont the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 26% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 30% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Vermont, 69% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Vermont owed $20,604 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Vermont Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Vermont college graduates would save $4,120 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Vermont earning $25,819,[12] who graduate with the state average student loan debt of $20,604,[13] would see a reduction of about $75,[14] or 32%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 556 more Vermont college students would be eligible for $7,065,304 in additional need-based grant aid.[15] The average grant in Vermont would increase by $595, from $2,232 to $2,827.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 7,970 Vermont students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Virginia Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Virginia increased 33%, from $8,744 to $11,616 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Virginia increased 24% from $18,700 to $23,277 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 33%, median family incomes in Virginia have increased only 9% since 2000.[2] After financial aid is taken into account, 26% of the average family income in Virginia is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Virginia the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 35% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 42% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Virginia, 63% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Virginia owed $16,474 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Virginia Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Virginia college graduates would save $3,294 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Virginia earning $32,437,[12] who graduate with the state average student loan debt of $16,474,[13] would see a reduction of about $45,[14] or 23%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 5,950 more Virginia college students would be eligible for $79,060,021 in additional need-based grant aid.[15] The average grant in Virginia would increase by $623, from $2,337 to $2,960.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 104,936 Virginia students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Washington Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Washington increased 33%, from $8,917 to $11,902 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Washington increased 21% from $21,510 to $26,021 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 33%, median family incomes in Washington have increased only 17% since 2000.[2] After financial aid is taken into account, 31% of the average family income in Washington is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Washington the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 34% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 53% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Washington, 61% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Washington owed $17,601 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Washington Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Washington college graduates would save $3,520 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Washington earning $30,159,[12] who graduate with the state average student loan debt of $17,601,[13] would see a reduction of about $52,[14] or 26%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 5,304 more Washington college students would be eligible for $70,854,601 in additional need-based grant aid.[15] The average grant in Washington would increase by $626, from $2,350 to $2,976.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 95,236 Washington students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, West Virginia Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in West Virginia increased 30%, from $7,287 to $9,450 for tuition, fees, room and board. The cost of attendance at four-year private colleges in West Virginia increased 4% from $18,338 to $19,067 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 30%, median family incomes in West Virginia have increased only 13% since 2000.[2] After financial aid is taken into account, 29% of the average family income in West Virginia is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In West Virginia the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 43% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 51% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In West Virginia, 64% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in West Virginia owed $17,697 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help West Virginia Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, West Virginia college graduates would save $3,538 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in West Virginia earning $26,692,[12] who graduate with the state average student loan debt of $17,697,[13] would see a reduction of about $61,[14] or 30%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 2,275 more West Virginia college students would be eligible for $33,115,727 in additional need-based grant aid.[15] The average grant in West Virginia would increase by $683, from $2,561 to $3,244.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 16,929 West Virginia students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Wisconsin Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public colleges in Wisconsin increased 34%, from $7,385 to $9,872 for tuition, fees, room and board. The cost of attendance at four-year private colleges in Wisconsin increased 21% from $20,271 to $24,574 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 34%, median family incomes in Wisconsin have increased only 2% since 2000.[2] After financial aid is taken into account, 22% of the average family income in Wisconsin is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Wisconsin the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 41% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 58% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Wisconsin, 68% of undergraduates took out loans to finance their college education.[7] The average student graduating from a four-year college in Wisconsin owed $16,815 on graduation day in 2004.[8]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Wisconsin Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Wisconsin college graduates would save $3,361 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Wisconsin earning $23,952,[12] who graduate with the state average student loan debt of $16,815,[13] would see a reduction of about $67,[14] or 35%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 4,230 more Wisconsin college students would be eligible for $54,569,476 in additional need-based grant aid.[15] The average grant in Wisconsin would increase by $605, from $2,269 to $2,874.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 84,346 Wisconsin students and families benefited from the tuition tax deduction.[17]

# A NEW DIRECTION FOR AMERICA

## Bush Republicans Take Us in the Wrong Direction, Wyoming Students Pay the Price

Despite the critical need to boost affordable college opportunities for all Americans, the Republican-led Congress continues to put college even further out of reach for millions of students. Each year millions of hardworking American families and students continue to struggle to cover college costs. But five years of Republican policies have resulted in stagnant federal grant aid, increasing numbers of students and their families falling further into debt to finance a college education, and fewer options for college graduates.

**The Cost of College Has Soared.** Between the 2000-2001 and 2004-2005 school years, the cost of attendance at four-year public college in Wyoming increased 21%, from $7,017 to $8,514 for tuition, fees, room and board.[1]

**Median Family Incomes Have Remained Stagnant.** While public college costs have increased 21%, median family incomes in Wyoming have increased only 15% since 2000.[2] After financial aid is taken into account, 24% of the average family income in Wyoming is needed to pay for tuition at a four-year public college.[3]

**Federal Student Aid Has Eroded Over Time.** In Wyoming the maximum Pell grant, which has remained at $4,050 for the past four years, covered only 48% of the average public four-year college tuition, fees, room and board in 2004-2005 – down from 62% in 1986-1987.[4] In 1975-1976, 77% of federal aid going to students nationally was in the form of grants, and only 20% was loans. In 2004-2005, it was 70% loans, 20% grants.[5]

**Students Have Taken on More Debt to Pay for College.** More students are leaving college in debt. In 2004, nearly two-thirds of all four-year college graduates nationwide had loan debt, compared with less than one-third of graduates in 1993.[6] In Wyoming, 43% of undergraduates took out loans to finance their college education.[7]

**Increased Debt Levels Are Impacting Students' Career and Life Choices.** Nationally, nearly a quarter of public four-year college graduates and over a third of private four-year college graduates have too much debt to manage on a starting teacher's salary.[9] Debt levels are also causing students to delay buying a home or a car and postpone marriage or having children.[10]

**To Reverse these Trends, Democrats Propose a New Direction to Help Wyoming Students.**

- Democrats opposed recent Republican efforts to raise student loan interest rates, and have called for a reduction in interest rates. If interest rates were cut in half, Wyoming college graduates who graduate with student loan debt equal to the national average could save $3,859 over the ten-year life of their loans.[11]
- Democrats have also called for debt relief for college graduates with excessive loan burdens. If federal student loan payments were capped at 15% of a borrower's discretionary income, starting teachers in Wyoming earning $28,900,[12] who graduate with the national average student loan debt of $19,300,[13] would see a reduction of about $61,[14] or 27%, in their monthly loan payments. For individuals who continue in public service careers for 10 years, student loan debt would be forgiven.
- Democrats have called for increasing the maximum Pell Grant from $4,050 to $5,100. With an increase in the Pell Grant, 552 more Wyoming college students would be eligible for $7,430,644 in additional need-based grant aid.[15] The average grant in Wyoming would increase by $631, from $2,368 to $2,999.[16]
- Democrats have also called for an extension of the college tuition tax deduction, which expired at the end of 2005, and have proposed increasing the allowable deduction to $12,000. In the 2003 tax year, 7,551 Wyoming students and families benefited from the tuition tax deduction.[17]

***Sources for State Pages:***

[1] National Center for Education Statistics, "Digest of Education Statistics 2001" and "Digest of Higher Education Statistics 2005."
[2] HELP Committee calculations based on data from US Census Bureau, Historical Income Tables.
[3] The National Center for Public Policy and Higher Education, "Measuring Up 2004: The National Report Card on Higher Education."
[4] HELP Committee Calculations based on cost of attendance data from National Center for Education Statistics, "Digest of Education Statistics 1988" and "Digest of Education Statistics 2005"; and maximum Pell Grant data from Congressional Resource Service. Data for Delaware and Wyoming from Integrated Postsecondary Education Data System ("Digest of Education Statistics 1988" data incomplete for those states)
[5] College Board, 2006.
[6] State PIRGs' Higher Education Project "Paying Back, Not Giving Back: Student Debt's Negative Impact on Public Service Career Opportunities," April 2006.
[7] Proportion of Student Loan Borrowers Among Full-Time First-Time Undergraduates at Four-Year Institutions. Calculations by the Project on Student Debt at the Institute for College Access and Success based on data from the National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), 2004, Data Analysis System (DAS).
[8] Average Debt of Graduates from Four-Year Colleges and Universities. Calculations by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Includes only campuses reporting total debt through the Common Data Set initiative. Averages are weighted by campus enrollment.
[9] State PIRGs' Higher Education Project "Paying Back, Not Giving Back: Student Debt's Negative Impact on Public Service Career Opportunities," April 2006.
[10] Nellie Mae Corporation, "College on Credit: How Borrowers Perceive Their Education Debt – Results of the 2002 National Student Loan Survey," February 2003.
[11] HELP Committee Calculations using the U.S. Department of Education's "Standard, Extended and Graduated Repayment Calculator" (http://www.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry1.html), using average debt levels calculated by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Average debt data not available for Wyoming.
[12] American Federation of Teachers, "Survey and Analysis of Teacher Salary Trends 2004."
[13] Calculations by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Includes only campuses reporting total debt through the Common Data Set initiative. Averages are weighted by campus enrollment.
[14] HELP Committee estimates calculated using the U.S. Department of Education's "Income Contingent Repayment Plan Calculator" (http://www.ed.gov/offices/OSFAP/DirectLoan/RepayCalc/dlentry2.html ), using average debt levels calculated by the Project on Student Debt at the Institute for College Access and Success from campus data available on www.economicdiversity.org. Calculations based on formula for current Income Contingent Repayment option in the Direct Loan Program (either 20% cap on income or income percentage factors); actual reduction in monthly payment resulting from Democratic proposal to cap payments at 15% of income might differ slightly from estimates provided. Democratic proposal also expands income contingent repayment option to all borrowers.
[15] American Council on Education.
[16] HELP Committee calculations based on data provided by American Council on Education.
[17] IRS Statistics of Income Division, Tax Year 2003, data compiled by the Senate Finance Committee.

By Mrs. BOXER:

S. 3594. A bill to help protect the public against the threat of attacks targeting nuclear power plants; to the Committee on Homeland Security and Governmental Affairs.

Mrs. BOXER. Mr. President, I rise today to introduce the Secure Nuclear Facilities Act of 2006, which addresses an unacceptable gap in our Nation's homeland security. My bill would hold commercial nuclear powerplants to the same high security standards to which government nuclear facilities are subject.

There are currently 104 nuclear powerplants licensed to operate in the United States, including two plants, with two reactors each, in my home state of California.

These plants are potential targets for terrorists, and we are not doing enough to ensure they are protected. The 9/11 Commission report, issued on July 22, 2004, stated that nuclear powerplants were among the targets considered in the original plan for the September 11, 2001, attacks.

An attack on a nuclear plant would be disastrous. The meltdown of a nuclear powerplant's nuclear reactor core, release of the spent nuclear fuel located at the site, removal from the site of radioactive materials, or other violation of the plant's security would greatly endanger public health and safety. Unfortunately, there are reports of nuclear plant operators' failure to effectively address vital security issues, and the Nuclear Regulatory Commission's failure to hold them sufficiently accountable.

To make matters worse, commercial nuclear plant operators are not currently required to defend their plants against theft and diversion of nuclear material. Nonweapon nuclear facilities operated by the government, on the other hand, are required to defend against not only direct attacks, but also theft and diversion of nuclear material. This double standard makes no sense.

Commercial nuclear plants contain materials that terrorists might attempt to steal, just like government nuclear facilities. The Nuclear Regulatory Commission, NRC, concedes that terrorists might use these highly radioactive materials in a radiological bomb or, with the right equipment, reprocess it into weapons-grade material. But according to the NRC, it is not reasonable to expect a private facility to cope with this threat, because private facilities do not have the same resources as government facilities.

The NRC's argument is deeply flawed. If nuclear plant owners and operators cannot address the full spectrum of terrorist threats they face, then they should not be in business. There is too much at stake in terms of the dangers posed by these threats for us to allow continued low security standards for commercial nuclear plants.

My bill would require commercial nuclear plants to defend against the same potential threats as government nuclear facilities, including threat and diversion of nuclear materials. The bill would also strengthen State and local responders' ability to aid nuclear plants in case of an attack by terrorists. It offers grants to State and local responders to facilitate evacuations and medical treatment, as well as interoperable communications among first responders and plant operators.

The Secure Nuclear Facilities Act of 2006 would make our country safer by ensuring better security at commercial nuclear plants. I urge my colleagues to support this important bill.

By Ms. COLLINS (for herself, Mr. LIEBERMAN, and Mr. CARPER):

S. 3595. A bill to amend the Homeland Security Act of 2002 to establish the United States Emergency Management Authority, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3595

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''United States Emergency Management Authority Act of 2006''.

**SEC. 2. UNITED STATES EMERGENCY MANAGEMENT AUTHORITY.**

Title V of the Homeland Security Act of 2002 (6 U.S.C. 311 et seq.) is amended by—

(1) striking the title heading and inserting the following:

**''TITLE V—NATIONAL PREPAREDNESS AND RESPONSE'';**

(2) striking sections 501 through 503;

(3) striking sections 506 and 507;

(4) redesignating sections 504, 505, 508, and 509 as sections 519, 520, 521, and 522, respectively;

(5) redesignating section 510 (relating to procurement of security countermeasures for the strategic national stockpile) as section 523;

(6) redesignating section 510 (relating to urban and other high risk area communications capabilities) as section 524; and

(7) inserting before section 519, as so redesignated by this section, the following:

**''SEC. 501. DEFINITIONS.**

''In this title—

''(1) the term 'all-hazards-plus' means an approach to preparedness, response, recovery, and mitigation that emphasizes the development of capabilities that are common to natural and man-made disasters, while also including the development of capabilities that are uniquely relevant to specific types of disasters;

''(2) the term 'Authority' means the United States Emergency Management Authority established under section 502;

''(3) the term 'Administrator' means the Administrator of the Authority;

''(4) the term 'Federal coordinating officer' means a Federal coordinating officer as described in section 302 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5143);

''(5) the term 'National Advisory Council' means the National Advisory Council on Emergency Preparedness and Response established under section 508;

''(6) the term 'National Incident Management System' means the National Incident Management System as described in the National Response Plan;

''(7) the term 'National Response Plan' means the National Response Plan prepared under Homeland Security Presidential Directive 5 or any presidential directive meant to replace or augment that directive;

''(8) the term 'Nuclear Incident Response Team' means a resource that includes—

''(A) those entities of the Department of Energy that perform nuclear or radiological emergency support functions (including accident response, search response, advisory, and technical operations functions), radiation exposure functions at the medical assistance facility known as the Radiation Emergency Assistance Center/Training Site (REAC/TS), radiological assistance functions, and related functions; and

''(B) those entities of the Environmental Protection Agency that perform such support functions (including radiological emergency response functions) and related functions;

''(9) the term 'Regional Advisory Council' means a Regional Advisory Council on Preparedness and Response established under section 503;

''(10) the term 'Regional Administrator' means a Regional Administrator for Preparedness and Response appointed under section 507;

''(11) the term 'Regional Office' means a Regional Office established under section 507; and

''(12) the term 'surge capacity' means the ability to rapidly and substantially increase the provision of search and rescue capabilities, food, water, medicine, shelter and housing, medical care, evacuation capacity, staffing, including disaster assistance employees, and other resources necessary to save lives and protect property during a catastrophic incident, or other natural or man-made disaster.

**''SEC. 502. UNITED STATES EMERGENCY MANAGEMENT AUTHORITY.**

''(a) IN GENERAL.—There is established in the Department the United States Emergency Management Authority, headed by an Administrator.

''(b) MISSION.—The mission of the Authority is to—

''(1) lead the Nation's efforts to prepare for, respond to, recover from, and mitigate the risks of natural and man-made disasters, including catastrophic incidents;

''(2) partner with State and local governments and emergency response providers, with other Federal agencies, with the private sector, and with nongovernmental organizations to build a national system of emergency management that can effectively and efficiently utilize the full measure of the Nation's resources to respond to a catastrophic incident or other natural or man-made disaster;

''(3) develop a Federal response capability that, when necessary and appropriate, can act effectively, rapidly, and proactively to deliver assistance essential to saving lives or protecting or preserving property or public health and safety in a natural or man-made disaster;

''(4) fuse the Department's emergency response, preparedness, recovery, mitigation, and critical infrastructure assets into a new, integrated organization that can effectively confront the challenges of a natural or man-made disaster;

''(5) develop and maintain robust Regional Offices that will work with State and local

governments and emergency response providers to identify and address regional priorities;

''(6) under the leadership of the Secretary, coordinate with the Commandant of the Coast Guard, the Director of Customs and Border Protection, the Director of Immigration and Customs Enforcement, and the National Operations Center, and other agencies and offices in the Department to take full advantage of the substantial range of resources in the Department that can be brought to bear in preparing for and responding to a natural or man-made disaster;

''(7) carry out the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.);

''(8) provide funding, training, exercises, technical assistance, planning, and other assistance, to build local, State, regional, and national capabilities, including communications capabilities, necessary to respond to a potential natural or man-made disaster;

''(9) implement an all-hazards-plus strategy for preparedness that places priority on building those common capabilities necessary to respond to both terrorist attacks and natural disasters while also building the unique capabilities necessary to respond to specific types of incidents that pose the greatest risk to our Nation; and

''(10) promote, plan for, and facilitate the security of critical infrastructure and key resources, including cyber infrastructure, against a natural or man-made disaster, and the post-disaster restoration of such critical infrastructure and key resources.

''(c) ADMINISTRATOR.—

''(1) IN GENERAL.—The Administrator shall be appointed by the President, by and with the advice and consent of the Senate.

''(2) QUALIFICATIONS.—The Administrator shall have not less than 5 years of executive leadership and management experience in the public or private sector and a demonstrated ability to manage a substantial staff and budget.

''(3) REPORTING.—The Administrator shall report to the Secretary, without being required to report through any other official of the Department.

''(4) PRINCIPAL ADVISOR ON EMERGENCY PREPAREDNESS AND RESPONSE.—

''(A) IN GENERAL.—The Administrator is the principal emergency preparedness and response advisor to the President, the Homeland Security Council, and the Secretary.

''(B) ADVICE AND RECOMMENDATIONS.—

''(i) IN GENERAL.—In presenting advice with respect to any matter to the President, the Homeland Security Council, or the Secretary, the Administrator shall, as the Administrator considers appropriate, inform the President, the Homeland Security Council, or the Secretary, as the case may be, of the range of emergency mitigation, preparedness, response, and recovery options with respect to that matter.

''(ii) ADVICE ON REQUEST.—The Administrator, as an emergency preparedness and response advisor, shall provide advice to the President, the Homeland Security Council, or the Secretary on a particular matter when the President, the Homeland Security Council, or the Secretary requests such advice.

''(iii) RECOMMENDATIONS TO CONGRESS.—After informing the Secretary, the Administrator may make such recommendations to Congress relating to emergency preparedness and response as the Administrator considers appropriate.

''(C) RETENTION OF AUTHORITY.—Nothing in this paragraph shall be construed as affecting the authority of the Secretary under this Act.

**''SEC. 503. AUTHORITIES AND RESPONSIBILITIES.**

''(a) IN GENERAL.—The Administrator shall provide Federal leadership necessary to prepare for and respond to a natural or man-made disaster, including—

''(1) carrying out the mission to reduce the loss of life and property and protect the Nation from all hazards by leading and supporting the Nation in a comprehensive, risk-based emergency preparedness and response program of—

''(A) mitigation, by taking sustained actions to reduce or eliminate long-term risk to people and property from hazards and their effects;

''(B) preparedness, by planning, training, and building the emergency preparedness and response workforce to prepare effectively for, mitigate against, respond to, and recover from any hazard;

''(C) response, by conducting emergency operations to save lives and property through positioning emergency equipment, personnel, and supplies, through evacuating potential victims, through providing food, water, shelter, and medical care to those in need, and through restoring critical public services;

''(D) recovery, by rebuilding communities so individuals, businesses, and governments can function on their own, return to normal life, and protect against future hazards; and

''(E) critical infrastructure protection, by establishing an inventory of, and protections for, public and private sector critical infrastructure, including cyber and communications assets;

''(2) increasing efficiencies, by coordinating efforts relating to mitigation, preparedness, response, recovery, and infrastructure protection;

''(3) helping to ensure the effectiveness of emergency response providers in responding to a natural or man-made disaster;

''(4) providing the Federal Government's response to a natural or man-made disaster, including—

''(A) managing such response;

''(B) directing the Domestic Emergency Support Team, the National Disaster Medical System, and (when operating as an organizational unit of the Department under this title) the Nuclear Incident Response Team;

''(C) overseeing the Metropolitan Medical Response System; and

''(D) coordinating other Federal response resources, including requiring deployment of the Strategic National Stockpile, in the event of a natural or man-made disaster;

''(5) working with Federal, State, and local government personnel, agencies, and authorities to build a comprehensive national incident management system to respond to a natural or man-made disaster;

''(6) with respect to the Nuclear Incident Response Team (regardless of whether it is operating as an organizational unit of the Department under this title)—

''(A) establishing standards and certifying when those standards have been met;

''(B) conducting joint and other exercises and training and evaluating performance; and

''(C) providing funds to the Department of Energy and the Environmental Protection Agency, as appropriate, for homeland security planning, exercises and training, and equipment;

''(7) helping to ensure that emergency response providers acquire interoperable and sustainable technology;

''(8) assisting the President in carrying out the functions under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.);

''(9) administering homeland security emergency management, first responder, and other preparedness grants;

''(10) monitoring, evaluating, and ensuring the readiness of each emergency support function under the National Response Plan;

''(11) coordinating with the National Advisory Council;

''(12) ensuring the protection of critical infrastructure by—

''(A) carrying out the responsibilities under paragraphs (2) through (6) of section 201(d);

''(B) helping ensure the protection and resiliency of key resources and critical infrastructure, including cyber infrastructure, against a natural or man-made disaster; and

''(C) planning for, assisting with, and facilitating, the restoration of key resources and critical infrastructure, including cyber infrastructure, in the event of a natural or man-made disaster;

''(13) establishing in each Regional Office a Regional Advisory Council on Preparedness and Response, to advise the Regional Administrator of that Regional Office on emergency preparedness and response issues specific to the region; and

''(14) otherwise carrying out the mission of the Authority as described in section 502(b).

''(b) ADDITIONAL RESPONSIBILITIES RELATED TO CATASTROPHIC INCIDENTS.—

''(1) IN GENERAL.—The Administrator, in consultation with the Secretary and other senior Department officials, shall develop a national emergency management system that is capable of responding to catastrophic incidents.

''(2) IDENTIFICATION OF RESOURCES.—

''(A) IN GENERAL.—The Administrator shall develop and submit to Congress annually an estimate of the resources of the Authority and other Federal agencies needed for and devoted specifically to developing local, State, and national capabilities necessary to respond to a catastrophic incident.

''(B) CONTENTS.—Each estimate under subparagraph (A) shall include the resources both necessary for and devoted to—

''(i) planning;

''(ii) training and exercises;

''(iii) Regional Office enhancements;

''(iv) staffing, including for surge capacity during a catastrophic event;

''(v) additional logistics capabilities;

''(vi) other responsibilities under the Catastrophic Incident Annex of the National Response Plan; and

''(vii) State and local catastrophic preparedness.

''(c) ALL-HAZARDS-PLUS APPROACH.—In carrying out this section, the Administrator shall implement an all-hazards-plus strategy that places priority on building those common capabilities necessary to prepare for, respond to, recover from, and mitigate the risks of terrorist attacks and natural disasters, while also building the unique capabilities necessary to prepare for, respond to, recover from, and mitigate the risks of specific types of incidents that pose the greatest risk to the Nation.

**''SEC. 504. AUTHORITY COMPONENTS.**

''There are transferred to the Authority the following:

''(1) The Federal Emergency Management Agency, including the functions of the Under Secretary for Federal Emergency Management relating thereto.

''(2) The Directorate of Preparedness, as constituted on June 1, 2006, including the functions of the Under Secretary for Emergency Preparedness relating to the Directorate, as constituted on that date.

**''SEC. 505. PRESERVING THE UNITED STATES EMERGENCY MANAGEMENT AUTHORITY.**

''(a) DISTINCT ENTITY.—The Authority shall be maintained as a distinct entity within the Department.

''(b) REORGANIZATION.—Section 872 shall not apply to the Authority, including any function or organizational unit of the Authority.

''(c) PROHIBITION ON CHANGES TO MISSIONS.—

''(1) IN GENERAL.—The Secretary may not substantially or significantly reduce the authorities, responsibilities, or functions of the Authority or the capability of the Authority to perform those responsibilities, except as otherwise specifically provided in an Act enacted after the date of enactment of the United States Emergency Management Authority Act of 2006.

''(2) CERTAIN TRANSFERS PROHIBITED.—No asset, function or mission of the Authority may be diverted to the principal and continuing use of any other organization, unit, or entity of the Department, except for details or assignments that do not reduce the capability of the Authority to perform its missions.

**''SEC. 506. DIRECTORS.**

''(a) IN GENERAL.—There shall be in the Authority a Director for Preparedness and a Director for Response and Recovery, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and shall report to the Administrator.

''(b) QUALIFICATIONS.—

''(1) IN GENERAL.—A Director shall have—

''(A) not less than 5 years of—

''(i) executive leadership and management experience in the public or private sector; and

''(ii) significant experience in crisis management or another relevant field; and

''(B) a demonstrated ability to manage a substantial staff and budget.

''(2) CONCURRENT EXPERIENCE.—Service during any period of time may be used in meeting the requirements under both clause (i) and (ii) of paragraph (1)(A).

''(c) INITIAL DIRECTORS.—The individual serving as the Under Secretary for Emergency Preparedness and the individual serving as the Under Secretary for the Federal Emergency Management Agency on the effective date of the United States Emergency Management Authority Act of 2006 may serve as the Director for Preparedness and the Director of Response and Recovery, respectively, until a Director for Preparedness or a Director of Response and Recovery, as the case may be, is appointed under subsection (a).

**''SEC. 507. REGIONAL OFFICES.**

''(a) IN GENERAL.—

''(1) REGIONAL OFFICES.—The Administrator shall establish 10 Regional Offices of the Authority.

''(2) ADDITIONAL OFFICE.—In additon to the Regional Offices established under paragraph (1), the Administrator may designate the Office for National Capital Region Coordination under section 882 as a Regional Office.

''(b) MANAGEMENT OF REGIONAL OFFICES.—

''(1) REGIONAL ADMINISTRATOR.—Each Regional Office shall be headed by a Regional Administrator for Preparedness and Response, who shall be appointed by the Secretary. Each Regional Administrator for Emergency Preparedness and Response shall report directly to the Administrator.

''(2) QUALIFICATIONS.—Each Regional Office shall be headed by an individual in the Senior Executive Service qualified to act as a senior Federal coordinating officer to provide strategic oversight of incident management when needed.

''(c) RESPONSIBILITIES.—

''(1) IN GENERAL.—The Regional Administrator shall work in partnership with State and local governments, emergency managers, emergency response providers, medical providers, the private sector, nongovernmental organizations, multijurisdictional councils of governments, and regional planning commissions and organizations in the geographical area served by the Regional Office to carry out the responsibilities of a Regional Administrator under this section.

''(2) RESPONSIBILITIES.—The responsibilities of a Regional Administrator include—

''(A) ensuring effective, coordinated, and integrated regional preparedness, mitigation, response, and recovery activities and programs for natural and man-made disasters (including planning, training, exercises, and professional development);

''(B) coordinating and integrating regional preparedness, mitigation, response, and recovery activities and programs for natural and man-made disasters (including planning, training, exercises, and professional development), which shall include—

''(i) providing regional and interstate planning assistance;

''(ii) organizing, in consultation with the Administrator, regional training and exercise programs;

''(iii) providing support and coordination officers for State and local government training and exercises;

''(iv) participating in emergency preparedness and planning activities by State, regional, and local governments;

''(v) assisting in the development of regional capabilities needed for a national catastrophic response system; and

''(vi) helping to coordinate and develop interstate agreements;

''(C) establishing and overseeing 1 or more strike teams within the region under subsection (e), which shall serve as the focal point of the Federal Government's initial response efforts for a natural or man-made disaster within that region, and otherwise building Federal response capabilities to respond to a natural or man-made disaster within that region;

''(D) working with the private sector to assess weaknesses in critical infrastructure protection in the region and to design and implement programs to address those weaknesses;

''(E) coordinating all activities conducted under this section with other Federal departments and agencies; and

''(F) performing such other duties relating to such responsibilities as the Administrator may require.

''(d) AREA OFFICES.—The Administrator shall establish an Area Office for the Pacific and an Area Office for the Caribbean, as components in the appropriate Regional Offices.

''(e) REGIONAL OFFICE STRIKE TEAMS.—

''(1) ESTABLISHMENT.—In coordination with other relevant Federal agencies, each Regional Administrator shall establish multiagency strike teams that shall consist of—

''(A) a designated Federal coordinating officer;

''(B) personnel trained in incident management;

''(C) public affairs, response and recovery, and communications support personnel;

''(D) a defense coordinating officer;

''(E) liaisons to other Federal agencies;

''(F) such other personnel as the Administrator or Regional Administrator determines appropriate; and

''(G) individuals from the agencies with primary responsibility for each of the emergency support functions in the National Response Plan, including the following:

''(i) Transportation.

''(ii) Communications.

''(iii) Public works and engineering.

''(iv) Emergency management.

''(v) Mass care.

''(vi) Housing and human services.

''(vii) Public health and medical services.

''(viii) Urban search and rescue.

''(ix) Public safety and security.

''(x) External affairs.

''(2) LOCATION OF MEMBERS.—The members of each Regional Office strike team, including representatives from agencies other than the Department, shall be based primarily at the Regional Office that corresponds to that strike team.

''(3) COORDINATION.—Each Regional Office strike team shall coordinate the training and exercises of that strike team with the State and local governments and private sector and nongovernmental entities which the strike team shall support when a natural or man-made disaster occurs.

''(4) PREPAREDNESS.—Each Regional Office strike team shall be trained, equipped, and staffed to be well prepared to respond to natural and man-made disasters, including catastrophic incidents.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as necessary to carry out this subsection.

**''SEC. 508. NATIONAL ADVISORY COUNCIL ON EMERGENCY PREPAREDNESS AND RESPONSE.**

''(a) ESTABLISHMENT.—Not later than 60 days after the date of enactment of the United States Emergency Management Authority Act of 2006, the Secretary shall establish an advisory body under section 871(a), to be known as the National Advisory Council on Emergency Preparedness and Response.

''(b) RESPONSIBILITIES.—The National Advisory Council shall advise the Administrator on all aspects of emergency preparedness and response.

''(c) MEMBERSHIP.—

''(1) IN GENERAL.—The members of the National Advisory Council shall be appointed by the Administrator, and shall, to the extent practicable, represent a geographic (including urban and rural) and substantive cross section of State and local government officials and emergency managers, and emergency response providers, from State and local governments, the private sector, and nongovernmental organizations, including as appropriate—

''(A) members selected from the emergency preparedness and response fields, including fire service, law enforcement, hazardous materials response, emergency medical services, and emergency preparedness and response personnel;

''(B) health scientists, emergency and inpatient medical providers, and public health professionals;

''(C) experts representing standards setting organizations;

''(D) State and local government officials with expertise in terrorism preparedness and emergency preparedness and response;

''(E) elected State and local government executives;

''(F) experts in public and private sector infrastructure protection, cybersecurity, and communications;

''(G) representatives of the disabled and other special needs populations; and

''(H) such other individuals as the Administrator determines to be appropriate.

''(d) APPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—

''(1) IN GENERAL.—Notwithstanding section 871(a) and subject to paragraph (2), the Federal Advisory Committee Act (5 U.S.C. App.), including subsections (a), (b), and (d) of section 10 of such Act, and section 552b(c) of title 5, United States Code, shall apply to the Advisory Council.

''(2) TERMINATION.—Section 14(a)(2)(B) of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Council.

**"SEC. 509. NATIONAL INCIDENT MANAGEMENT SYSTEM INTEGRATION CENTER.**

''(a) IN GENERAL.—There is in the Authority a National Incident Management System Integration Center.

''(b) RESPONSIBILITIES.—

''(1) IN GENERAL.—The Administrator, through the National Incident Management System Integration Center, and in consultation with other Federal departments and agencies and the National Advisory Council, shall ensure ongoing management and maintenance of the National Incident Management System, the National Response Plan, any other document or tool in support of Homeland Security Presidential Directive 5, or any other Homeland Security Presidential Directive relating to incident management and response.

''(2) SPECIFIC RESPONSIBILITIES.—The National Incident Management System Integration Center shall—

''(A) periodically review, and revise, as appropriate, the National Incident Management System and the National Response Plan;

''(B) review other matters relating to the National Incident Management System and the National Response Plan, as the Administrator may require;

''(C) develop and implement a national program for National Incident Management System and National Response Plan education and awareness;

''(D) oversee all aspects of the National Incident Management System, including the development of compliance criteria and implementation activities at Federal, State, and local government levels;

''(E) provide guidance and assistance to States and local governments and emergency response providers, in adopting the National Incident Management System; and

''(F) perform such other duties relating to such responsibilities as the Administrator may require.

**"SEC. 510. NATIONAL OPERATIONS CENTER.**

''(a) DEFINITION.—In this section, the term 'situational awareness' means information gathered from a variety of sources that, when communicated to emergency preparedness and response managers and decision makers, can form the basis for incident management decisionmaking.

''(b) ESTABLISHMENT.—There is established in the Department a National Operations Center.

''(c) PURPOSE.—The purposes of the National Operations Center are to—

''(1) coordinate the national response to any natural or man-made disaster, as determined by the Secretary;

''(2) provide situational awareness and a common operating picture for the entire Federal Government, and for State and local governments as appropriate, for an event described in paragraph (1);

''(3) collect and analyze information to help deter, detect, and prevent terrorist acts;

''(4) disseminate terrorism and disaster-related information to Federal, State, and local governments;

''(5) ensure that critical terrorism and disaster-related information reaches government decision-makers; and

''(6) perform such other duties as the Secretary may require.

''(d) RESPONSIBILITIES.—The National Operations Center shall carry out the responsibilities of the Homeland Security Operations Center, the National Response Coordination Center, and the Interagency Incident Management Group, as constituted on the date of enactment of the United States Emergency Management Authority Act of 2006.

**"SEC. 511. CHIEF MEDICAL OFFICER.**

''(a) IN GENERAL.—There is in the Authority a Chief Medical Officer, who shall be appointed by the President, by and with the advice and consent of the Senate. The Chief Medical Officer shall report directly to the Administrator.

''(b) QUALIFICATIONS.—The individual appointed as Chief Medical Officer shall possess a demonstrated ability in and knowledge of medicine and public health.

''(c) RESPONSIBILITIES.—The Chief Medical Officer shall have the primary responsibility within the Department for medical issues related to natural and man-made disasters, including—

''(1) serving as the principal advisor to the Secretary and the Administrator on medical and public health issues;

''(2) coordinating the biosurveillance and detection activities of the Department;

''(3) ensuring internal and external coordination of all medical preparedness and response activities of the Department, including training, exercises, and equipment support;

''(4) serving as the Department's primary point of contact with the Department of Agriculture, the Department of Defense, the Department of Health and Human Services, the Department of Transportation, the Department of Veterans Affairs, and other Federal departments or agencies, on medical and public health issues;

''(5) serving as the Department's primary point of contact for State and local government, the medical community, and others within and outside the Department, with respect to medical and public health matters;

''(6) discharging, in coordination with the Under Secretary for Science and Technology, the responsibilities of the Department related to Project Bioshield;

''(7) establishing doctrine and priorities for the National Disaster Medical System, consistent with the National Response Plan and the National Incident Management System, supervising its medical components, and exercising predeployment operational control, including—

''(A) determining composition of the teams;

''(B) overseeing credentialing of the teams; and

''(C) training personnel of the teams;

''(8) establishing doctrine and priorities for the Metropolitan Medical Response System, consistent with the National Response Plan and the National Incident Management System;

''(9) managing the Metropolitan Medical Response System, including developing and overseeing standards, plans, training, and exercises and coordinating with the Office of Grants and Training on the use and distribution of Metropolitan Medical Response grants;

''(10) assessing and monitoring long-term health issues of emergency managers and emergency response providers;

''(11) developing and updating, in consultation with the Secretary of Health and Human Services, guidelines for State and local governments for medical response plans for chemical, biological, radiological, nuclear, or explosive weapon attacks;

''(12) developing, in consultation with the Secretary of Health and Human Services, appropriate patient tracking capabilities to execute domestic patient movement and evacuations, including a system that has the capacity of electronically maintaining and transmitting the health information of hospital patients;

''(13) establishing and providing oversight for the Department's occupational health and safety program, including workforce health; and

''(14) performing such other duties relating to such responsibilities as the Secretary or the Administrator may require.

''(d) LONG-TERM HEALTH ASSESSMENT PROGRAM.—The Chief Medical Officer, in consultation with the Director of the National Institute for Occupational Safety and Health, shall establish a program to assess, monitor, and study the health and safety of emergency managers and emergency response providers, following Incidents of National Significance declared by the Secretary under the National Response Plan.

**"SEC. 512. PUBLIC AND COMMUNITY PREPAREDNESS.**

''The Administrator shall promote public and community preparedness.

**"SEC. 513. SAVER PROGRAM.**

''(a) IN GENERAL.—In the Department there is a System Assessment and Validation for Emergency Responders Program to provide impartial evaluations of emergency response equipment and systems.

''(b) REQUIREMENTS.—The program established under subsection (a) shall—

''(1) provide impartial, practitioner relevant, and operationally oriented assessments and validations of emergency response provider equipment and systems that have not already been third-party certified to a standard adopted by the Department, including—

''(A) commercial, off-the-shelf emergency response provider equipment and systems in all equipment list categories of the Standardized Equipment List published by the Interagency Board for Equipment Standardization and Interoperability; and

''(B) such other equipment or systems as the Secretary determines are appropriate;

''(2) provide information that enables decision-makers and emergency response providers to better select, procure, use, and maintain emergency response provider equipment or systems;

''(3) assess and validate the performance of products within a system and subsystems; and

''(4) provide information and feedback to emergency response providers through the Responder Knowledge Base of the National Memorial Institute for the Prevention of Terrorism, or other appropriate forum.

''(c) ASSESSMENT AND VALIDATION PROCESS.—The assessment and validation of emergency response provider equipment and systems shall use multiple evaluation techniques, including—

''(1) operational assessments of equipment performance on vehicle platforms;

''(2) technical assessments on a comparative basis of system component performance across makes and models under controlled conditions; and

''(3) integrative assessments on an individual basis of system component interoperability and compatibility with other system components.

''(d) PERSONAL PROTECTIVE EQUIPMENT.—To the extent practical, the assessment and validation of personal protective equipment under this section shall be conducted by the National Personal Protective Technology Laboratory of the National Institute for Occupational Safety and Health.

**"SEC. 514. NATIONAL SEARCH AND RESCUE RESPONSE SYSTEM.**

''(a) NATIONAL SEARCH AND RESCUE RESPONSE SYSTEM.—There is established in the Authority an emergency response system known as the National Search and Rescue Response System that provides a national network of standardized search and rescue resources to assist State and local governments in responding to any natural or man-made disaster.

''(b) ADMINISTRATION OF THE SYSTEM.—

''(1) TASK FORCE PARTICIPATION.—The Administrator shall select eligible search and rescue teams that are sponsored by State

and local government entities to participate as task forces in the National Search and Rescue Response System. The Administrator shall determine the criteria for such participation.

''(2) AGREEMENTS WITH SPONSORING AGENCIES.—The Administrator shall enter into an agreement with the State or local government entity that sponsors each search and rescue team selected under paragraph (1) with respect the team's participation as a task force in the National Search and Rescue Response System.

''(3) MANAGEMENT AND TECHNICAL TEAMS.—The Administrator shall maintain such management and other technical teams as are necessary to administer the National Search and Rescue Response System.

**''SEC. 515. METROPOLITAN MEDICAL RESPONSE SYSTEM.**

''(a) IN GENERAL.—There is in the Authority a Metropolitan Medical Response System. Under the Metropolitan Medical Response System, the Assistant Secretary for Grants and Planning, in coordination with the Chief Medical Officer, shall administer grants to develop, maintain, and enhance medical preparedness systems that are capable of responding effectively to a public health crisis or mass-casualty event caused by a natural or man-made disaster.

''(b) USE OF FUNDS.—The Metropolitan Medical Response System shall make grants to local governments to enhance any of the following activities:

''(1) Medical surge capacity.

''(2) Mass prophylaxis.

''(3) Chemical, biological, radiological, nuclear, and explosive detection, response, and decontamination capabilities.

''(4) Emergency communications capabilities.

''(5) Information sharing and collaboration capabilities.

''(6) Regional collaboration.

''(7) Triage and pre-hospital treatment.

''(8) Medical supply management and distribution.

''(9) Fatality management.

''(10) Such other activities as the Secretary may provide.

**''SEC. 516. EMERGENCY MANAGEMENT ASSISTANCE COMPACT AUTHORIZATION.**

''(a) IN GENERAL.—The Secretary, acting through the Administrator, may make grants for the purposes of administering and improving the Emergency Management Assistance Compact consented to by the Joint Resolution entitled 'Joint Resolution granting the consent of Congress to the Emergency Management Assistance Compact' (Public Law 104–321; 110 Stat. 3877).

''(b) USES.—A grant under this section shall be used to—

''(1) carry out recommendations identified in after-action reports for the 2004 and 2005 hurricane season issued under the Emergency Management Assistance Compact;

''(2) coordinate with the Department and other Federal Government agencies;

''(3) coordinate with State and local government entities and their respective national associations;

''(4) assist State and local governments with credentialing emergency response providers and the typing of emergency response resources; or

''(5) administer the operations of the Emergency Management Assistance Compact.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $4,000,000 for each of fiscal years 2007 through 2010. Amounts appropriated under this section shall remain available for 3 fiscal years after the date on which such funds are appropriated.

**''SEC. 517. OFFICE FOR THE PREVENTION OF TERRORISM.**

''(a) ESTABLISHMENT.—There is established in the Department an Office for the Prevention of Terrorism, which shall be headed by a Director.

''(b) DIRECTOR.—

''(1) REPORTING.—The Director of the Office for the Prevention of Terrorism shall report directly to the Secretary.

''(2) QUALIFICATIONS.—The Director of the Office for the Prevention of Terrorism shall have an appropriate background with experience in law enforcement, intelligence, or other anti-terrorist functions.

''(c) ASSIGNMENT OF PERSONNEL.—

''(1) IN GENERAL.—The Secretary shall assign to the Office for the Prevention of Terrorism permanent staff and other appropriate personnel detailed from other components of the Department to carry out the responsibilities under this section.

''(2) LIAISONS.—The Secretary shall designate senior employees from each component of the Department that has significant antiterrorism responsibilities to act a liaison between that component and the Office for the Prevention of Terrorism.

''(d) RESPONSIBILITIES.—The Director of the Office for the Prevention of Terrorism shall—

''(1) coordinate policy and operations between the Department and State and local government agencies relating to preventing acts of terrorism within the United States;

''(2) serve as a liaison between State and local law enforcement agencies and the Department;

''(3) in coordination with the Office of Intelligence, develop better methods for the sharing of intelligence with State and local law enforcement agencies;

''(4) coordinate with the Office of Grants and Training to ensure that homeland security grants to State and local government agencies are adequately focused on terrorism prevention activities; and

''(5) coordinate with the Authority, the Department of Justice, the National Institute of Justice, law enforcement organizations, and other appropriate entities to develop national voluntary consensus standards for training and personal protective equipment to be used in a tactical environment by law enforcement officers.

''(e) PILOT PROJECT.—

''(1) IN GENERAL.—The Director of the Office for the Prevention of Terrorism, in coordination with the Director for Response, shall establish a pilot project to determine the efficacy and feasibility of establishing law enforcement deployment teams.

''(2) FUNCTION.—The law enforcement deployment teams participating in the pilot program under this subsection shall form the basis of a national network of standardized law enforcement resources to assist State and local governments in responding to a natural or man-made disaster.

''(f) CONSTRUCTION.—Nothing in this section may be construed to effect the roles or responsibilities of the Department of Justice.

**''SEC. 518. DEPARTMENT OFFICIALS.**

''(a) CYBERSECURITY AND TELECOMMUNICATIONS.—There is in the Department an Assistant Secretary for Cybersecurity and Telecommunications.

''(b) UNITED STATES FIRE ADMINISTRATION.—The Administrator of the United States Fire Administration shall have a rank equivalent to an assistant secretary of the Department.''.

**SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as are necessary to carry out this Act and the amendments made by this Act.

**SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) EXECUTIVE SCHEDULE.—

(1) ADMINISTRATOR.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

''Administrator of the United States Emergency Management Authority.''.

(2) DIRECTORS.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

''Directors, United States Emergency Management Authority.''.

(3) FEMA OFFICERS.—

(A) FEDERAL INSURANCE ADMINISTRATOR.—Section 5315 of title 5, United States Code, is amended by striking ''Federal Insurance Administrator, Federal Emergency Management Agency.''.

(B) INSPECTOR GENERAL.—Section 5315 of title 5, United States Code, is amended by striking ''Inspector General, Federal Emergency Management Agency.''.

(C) CHIEF INFORMATION OFFICER.—Section 5315 of title 5, United States Code, is amended by striking ''Chief Information Officer, Federal Emergency Management Agency.''.

(b) OFFICERS OF THE DEPARTMENT.—Section 103(a) of the Homeland Security Act of 2002 (6 U.S.C. 113(a)) is amended—

(1) by striking paragraph (5) and inserting the following:

''(5) An Administrator of the United States Emergency Management Authority.'';

(2) by striking paragraph (2); and

(3) by redesignating paragraphs (3) through (10) (as amended by this subsection) as paragraphs (2) through (9), respectively.

(c) TABLE OF CONTENTS.—The table of contents in section 1(b) of the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by striking the items relating to title V and sections 501 through 509 and inserting the following:

''TITLE V—NATIONAL PREPAREDNESS AND RESPONSE

''Sec. 501. Definitions.
''Sec. 502. United States Emergency Management Authority.
''Sec. 503. Authorities and responsibilities.
''Sec. 504. Authority components.
''Sec. 505. Preserving the United States Emergency Management Authority.
''Sec. 506. Directors.
''Sec. 507. Regional Offices.
''Sec. 508. National Advisory Council on Emergency Preparedness and Response.
''Sec. 509. National Incident Management System Integration Center.
''Sec. 510. National Operations Center.
''Sec. 511. Chief Medical Officer.
''Sec. 512. Public and community preparedness.
''Sec. 513. SAVER Program.
''Sec. 514. National Search and Rescue Response System.
''Sec. 515. Metropolitan Medical Response System.
''Sec. 516. Emergency Management Assistance Compact authorization.
''Sec. 517. Office for the Prevention of Terrorism Coordination.
''Sec. 518. Department officials.
''Sec. 519. Nuclear incident response.
''Sec. 520. Conduct of certain public health-related activities.
''Sec. 521. Use of national private sector networks in emergency response.
''Sec. 522. Use of commercially available technology, goods, and services.
''Sec. 523. Procurement of security countermeasures for strategic national stockpile.
''Sec. 524. Urban and other high risk area communications capabilities.''.

**SEC. 5. EFFECTIVE DATE.**

This Act, and the amendments made by this Act, shall take effect on January 1, 2007.

Mr. LIEBERMAN. Mr. President, I thank Chairman COLLINS who has been good enough to allow me to speak for a few moments first because I have an engagement I am supposed to be at around noon.

I am pleased to join with Chairman COLLINS today to both introduce and speak in favor of this legislation to reinvent and rebuild FEMA into an agency capable of responding efficiently and effectively to a catastrophe the size and scope of Hurricane Katrina, but also to the natural disasters that in the normal course of events have affected and will affect the American people.

The Homeland Security and Governmental Affairs Committee spent 7 months last year and into this year investigating the failed Government response to Hurricane Katrina. Our report recounts a double tragedy of epic proportions, a tragedy caused, in the first instance, by nature, and then a tragedy compounded by human folly and the failure of leadership, including the failure of preparation.

We found that government at all levels—from the Federal Government to the local government, from the White House to FEMA to the Governor's office in Louisiana to the mayor's office in New Orleans—were unprepared, even though the hurricane and its effect on the New Orleans levee system had long been predicted. Likewise, all levels of government were unequipped to deal with the human suffering that followed the storm's landfall and galvanized the attention that ultimately produced the enormous embarrassment and anger of the American people as we watched our fellow Americans suffering in New Orleans and throughout the gulf coast without the support and help they have a right to expect from their government at all levels in a time of disaster.

These failings were caused by negligence, lack of resources, lack of capability, and a lack of leadership. Though we can legislate requirements for those in positions of leadership—and we do in the legislation we are introducing—we cannot legislate leadership. That is a personal quality. But we can legislate bold changes at the Federal level that are critical for our Nation to develop the capacity necessary to protect our people in times of disaster, whether natural or terrorist.

So in the aftermath of our report, we made a number of recommendations about what we believed on a bipartisan basis was needed to improve our preparations, response, and recovery the next time disaster strikes, as it surely will.

One of our recommendations—perhaps the key recommendation—is to rebuild FEMA into a more powerful, better managed, better integrated, better supported organization. Our recommendation was to give the reinvented FEMA, probably for the first time in its history, the authority and muscle to respond to natural disasters and to catastrophes—which is what Katrina was—in the way the American people have a right to expect their Government to respond—with speed, with efficiency, and with effect.

Today we introduce legislation that will do that. We call this new organization the U.S. Emergency Management Authority, U.S.–EMA. But no matter what we call it, this organization, we have concluded, must be in the Department of Homeland Security; in fact, must be at the core of that Department, just as FEMA was originally intended to do when we proposed the new Department in 2002 based on the recommendations of the Hart-Rudman Commission which said that the new Department must be centered around FEMA.

The legislation we are introducing today is the first step in this process. Chairman COLLINS and I expect soon to introduce a broader bill that will encompass all of our report's key recommendations. But we begin today by reaffirming how important it is to keep this critical national emergency management function in the Department of Homeland Security and how critical it is to strengthen it and rejoin the functions of disaster response with disaster preparedness.

Our investigation of Hurricane Katrina made it clear to us that preparedness and response are two sides of the same coin. In the years before Katrina, FEMA, the agency charged with coordinating our Nation's response to terrorist attacks or natural disasters, too often was out of the loop when critical decisions about how to prepare—such as how to spend billions of dollars in grants—were made. Exercises were designed and held without serious input by FEMA. FEMA's ability to respond was crippled because it was not central to preparedness, and thus did not have the close relationships needed with state and local officials on the front lines. The preparers and the responders need to be working hand in hand with State and local officials, other Federal agencies, and the private and non-profit sectors if both functions are to work as well as we expect them to.

Our legislation first and foremost will ensure that our preparedness efforts are closely linked, inseparable from the capabilities we need to respond.

Our investigation also made clear that part of FEMA's problem during Hurricane Katrina was that it was an agency weakened by years of budget and staff cuts. At the time the hurricane made landfall, FEMA had been operating with a 15-percent vacancy rate for over a year. And it had a senior political management largely without emergency management experience.

We address these problems by giving the new authority a special status within the Department of Homeland Security—the same special status the Coast Guard and Secret Service now have. With this status, changes to the agency's functions and assets can only be made through statute. Furthermore, we would require that the Administrator and other key officials have the necessary experience and qualifications to get the job done. U.S.–EMA will not be plagued by unqualified appointees like FEMA has been.

The chairman and I also believe FEMA is too Washington-oriented and too disconnected from the real work of preparing for disasters where they actually occur, so we envision a rebuilt agency with robust regional offices to focus on preparedness and response coordination with local and State agencies. Each regional office would house a permanent ''strike team'' that would include representatives from other Federal agencies involved in emergency response to ensure the feds are familiar with regional threats and with state and local emergency personnel.

I know some of my colleagues believe FEMA should be removed from DHS and given the full independent status it once had. But Senator COLLINS and I know this is not the solution. Removing the agency from the Department will only create additional problems. It would be like removing the Army from the Department of Defense.

The U.S.–EMA, the Government's chief response agency, must have access to the vast resources of the Department of Homeland Security and it needs to work seamlessly with the other agencies that have critical roles to play during catastrophes. The Coast Guard, which performed so admirably during Katrina, might need to be activated. The Department's communications capabilities, law enforcement, intelligence offices, and infrastructure protection will all be needed in response to a catastrophe. In other words, the Federal response must be integrated and that will occur if all agencies have a history of working together within the same Department, if the officials know one another, and if they ultimately serve the same Secretary of Homeland Security.

Furthermore, taking FEMA out of DHS would create more and duplicative bureaucracy. DHS would have to develop its own response capabilities. FEMA would have to develop its own preparedness capabilities. And both would need to have tools for obtaining situational awareness. We do not have the resources to waste on that kind of duplication.

Returning FEMA to an independent agency is not a guarantee that it will be competent. Even when it was independent, FEMA never did develop the capabilities needed to respond to a catastrophe like Katrina. In fact, its response to Hurricane Andrew in 1992—a much smaller storm, killing about 50 people compared to Katrina's 1,500—was a disaster in itself, leading the Government Accounting Office to conclude that it had ''serious doubts about whether FEMA is capable of responding to catastrophic disasters.'' The agency did improve subsequent to Hurricane

Andrew but never had the ability to respond to a storm such as Katrina.

The desperate conditions of gulf coast communities in the week after Katrina's landfall shocked the country. There are many other American communities that are similarly vulnerable—whether to a natural disaster or to terrorist attack. The next catastrophe is coming. We know that. We also know there are significant flaws in the Nation's readiness. We can't afford another response like the one to Katrina.

Our proposal is not about fiddling with bureaucratic flow charts or rebranding, or rearranging the deck chairs on the Titanic. It is about plugging the gash in the hull and building a better deck. It is about saving people's lives by bringing together the skills, resources, missions, and authority for effective preparedness and response to catastrophes when local and State agencies are overwhelmed by a terror attack or a natural disaster.

I ask my colleagues for their support of this legislation.

Mr. President, I yield to Chairman COLLINS for the rest of the introduction of this legislation.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I am very pleased to join my friend and colleague, Senator LIEBERMAN, in introducing a bill that addresses an urgent challenge facing our Nation: the need to ensure a strong and effective capability to deal with natural and manmade disasters, whether they are hurricanes and ice storms or terrorist attacks and pandemic diseases.

The U.S. Emergency Management Authority Act is intended to remedy many of the glaring deficiencies that we all saw in the preparation and response to Hurricane Katrina. The U.S.-EMA bill reflects the evidence that the Senate Homeland Security Committee examined during the course of an exhaustive and bipartisan 7-month investigation. The committee convened 22 hearings, heard testimony from 85 witnesses, conducted more than 325 formal interviews, and examined more than 838,000 pages of documents.

The result is a 737-page report that contains 88 recommendations for improving our emergency management system at all levels of government.

Our legislation is an important first step toward implementing the committee's major recommendations for reforming FEMA. We will, as my colleague, Senator LIEBERMAN, indicated, be introducing subsequent legislation to implement other recommendations.

The four key features of the bill that we introduce today will, first, give the new authority statutory protection against actions that could diminish its capabilities and effectiveness, such as departmental reorganizations; second, ensure that the administrator of U.S.-EMA has direct access to the President; third, reunite preparedness functions with response capabilities while expanding U.S.-EMA's authority over other key functions; and fourth, strengthen the authority's regional focus with Federal strike teams for faster, more coordinated and effective responses.

Senator LIEBERMAN and I strongly believe that the best way to achieve the goal of improving the Federal Government's ability to protect American citizens from disaster, to mitigate the impacts, and to promote recovery is to strengthen and expand the Federal Emergency Management Agency, which we have proposed to rename the U.S. Emergency Management Authority. As we saw so starkly and so tragically demonstrated last year, FEMA simply must be made far more effective.

We believe FEMA needs special status within the Department of Homeland Security. Our bill would extend to the reconstituted FEMA the same kinds of statutory protections against departmental reorganizations and raids on resources that currently shield the Coast Guard and the Secret Service. I acknowledge the critical role played by the Senator from Mississippi, Mr. LOTT, in helping us draft this portion of the bill.

FEMA would also require more regional focus and closer coordination with local State entities, as well as with our nongovernmental partners. They are the first line of response in a disaster. Our legislation bolsters the role of FEMA's regional centers by authorizing the creation of multiagency strike teams to ensure rapid and effective cooperation with first responders and public officials in disaster areas. These strike teams would comprise representatives from all of the Federal agencies that play a role in responding to the disasters. They would train and exercise with their State and local counterparts.

I was struck by the fact that during our investigation, we learned that FEMA sent officials from region I—New England—down to help out in New Orleans. Often they were the lead officials. These were trained and dedicated people, but just think how much more effective they could have been if they had been stationed in the region and working regularly with the public officials in that region and with the first responders.

We believe FEMA needs top-level access and visibility. The administrator of the new U.S. Emergency Management Authority would be designated by our bill as the principal adviser to the President on matters of emergency management and would have direct access to the President. This would establish the administrator in a capacity that is analogous to that of the Chairman of the Joint Chiefs of Staff. In addition, the administrator would be authorized to communicate any recommendations, any needs and requirements directly to Congress.

Our intention to keep the strengthened FEMA as part of DHS has stirred more debate than perhaps any other of our recommendations emerging from the Katrina investigation. Some Members of this Chamber, as well as proponents of a bill introduced in the House, insist that FEMA must be extracted from the Department of Homeland Security and restored to independent status. We share the view that the actions of both FEMA and DHS officials before and during the Katrina disaster revealed troubling and, at times, shocking lapses in awareness, agility, and judgment. But we also believe that both logic and practical realities point to reform, not amputation, as the best approach to improved protection for our citizens.

Please recall that it was only 5 years ago—before the 9/11 terror attacks—that the distinguished panel chaired by two of our former colleagues, Senator Hart and Senator Rudman, recommended that America establish a single agency to plan, coordinate, and integrate homeland security operations. The Commission correctly deduced that FEMA was the ''necessary core'' of that new department, and Congress agreed. The logic of that decision stands intact. The Department of Homeland Security's mission extends to all types of hazards and to preparation and mitigation as well as to response. DHS needs FEMA's capabilities and would have to re-create many of them at great cost and with great duplication of effort if FEMA were to be removed from the Department.

Even if that re-creation could somehow be done economically—and the evidence is that it would cost billions of dollars—the result would be new problems for State and local officials who direct first responders. Bifurcated, competing preparedness systems would force State and local officials to engage one system to prepare for natural disasters and another to prepare for terrorist attacks. That does not make sense. Many of the response capabilities are exactly the same whether the catastrophe is caused by a natural disaster such as a hurricane or whether it is the result of a terrorist attack. We know planning and response capabilities are already far too weak in many States. DHS's recent survey of the States proves that. We should not make the problem worse.

For those who argue that FEMA simply cannot thrive, cannot be successful within DHS, an obvious and telling question arises: How, then, did the U.S. Coast Guard, also a unit within DHS, emerge as the universally acclaimed hero of the Katrina response? Everyone believes the Coast Guard was the stellar performer, yet the Coast Guard is part of the Department of Homeland Security. So clearly FEMA's problem does not lie in its placement within DHS. Unlike FEMA, however, the Coast Guard has congressionally mandated protections, and our legislation would extend that exact same protection to FEMA's successor agency.

The temptation to think that the answer is simply to remove FEMA is

strong, but it is wrong. Just as not all motion is forward, not every change is progress. Emergency management expert Professor Donald Kettl of the University of Pennsylvania put it well when he told our committee:

It is tempting to send a strong signal by pulling FEMA out of DHS. But that would only undermine its ability to accomplish its mission. Breaking these pieces apart—separating response to terrorism from response to natural disasters, separating preparedness from response, separating FEMA from DHS—would inevitably bring problems.

I would suggest these are just a few of the serious implications that severing FEMA from DHS would cause.

First, coordination and reaction time would suffer. David Paulison, the new Director of FEMA, says that he closely coordinates with the Coast Guard, Immigration and Customs Enforcement, Border Patrol, and the Secret Service through weekly meetings. In times of disaster, he can simply make a request to these fellow DHS units; he doesn't have to go through a bureaucratic, formal process. They are all parts of the same department.

Second, training and preparedness would suffer. ADM Thad Allen of the Coast Guard testified before the committee that having FEMA within DHS has allowed much closer working ties and a 350-percent increase in joint training exercises.

Third, DHS's mission capability would suffer. The Homeland Security Act specifies that part of DHS's mission was to act as the focal point for natural and manmade emergencies and for emergency planning. As the Comptroller General has said:

Removing FEMA from DHS might impact the ability of the department and its remaining components and FEMA itself in fully addressing the close links between preparedness, prevention, response, and recovery from all hazards.

Fourth, State and local governments would suffer. If preparedness functions for natural disasters and terrorist attacks were divided, State and local governments would have to deal with two primary points of contact, two sets of regulations, two sources of funding, and two sets of officials. It greatly complicates their tasks.

Fifth, I strongly believe that FEMA would suffer. Removed from DHS, FEMA would lose many of the working relationships I have already described as well as the direct access to the information-gathering and analysis capabilities of other DHS agencies. This would degrade FEMA's ability to plan and train for both natural and manmade disasters and to make efficient use of grant-making authority.

To me, it is clear that a strengthened—a much strengthened—FEMA still belongs in DHS, that the necessary reforms can be carried out while it remains in DHS, and that severing FEMA from DHS would create a host of new problems, resulting in considerable extra expense and duplication, without securing any significant benefits. It is worth noting that America's largest group of first responders has come to the same conclusion. The president of the 274,000-member International Association of Firefighters has written us to say:

Removing FEMA would hinder—rather than help—efforts to reform our Nation's emergency response system. Having both a DHS and an independent FEMA would create confusion among local response personnel and lead to an unproductive duplication of efforts and turf battles.

Having summarized what I see as compelling arguments for strengthening and protecting FEMA as a component of DHS, let me outline some of the key provisions of our U.S.-EMA bill.

First, the bill establishes a strong position for the Administrator of the U.S. Emergency Management Authority. Once nominated by the President and confirmed by the Senate, the Administrator will have the standing of a Deputy Secretary, and will operate on a reporting and chain of command model like that of the Chairman of the Joint Chiefs of Staff. Day to day, the Administrator will report to the DHS Secretary, but the bill explicitly provides a direct line of communication between the President and the Administrator during a catastrophe. In addition, the Administrator may make whatever recommendations to Congress that he or she deems appropriate.

The bill provides for directors, nominated by the President and confirmed by the Senate, to provide the Administrator with highly qualified professionals in Preparedness and Mitigation, Response, and Recovery. Apart from bolstering the organization, authorizing these posts would send a clear signal to the Nation's Governors and mayors that they will have people of stature with whom to work and confer.

Besides providing the Administrator of U.S.-EMA with an advisory link to the President, the bill specifically tasks the Administrator with providing the federal leadership necessary to prepare for and respond to a disaster, whether man-made or natural. It gives the Administrator responsibility for administering preparedness grant programs, and for monitoring and evaluating the readiness of each of the emergency support functions under the national response plan. These are critical steps for ensuring close cooperation and oversight of preparedness at all levels of government.

The bill specifies that U.S.-EMA is a distinct entity and protects it from reorganization without explicit Congressional approval. This gives U.S.-EMA security identical to that of the Coast Guard.

Another critical element of the bill authorizes a strong regional structure for U.S.-EMA and creates regionally based federal strike teams for rapid response. This will ensure that U.S.-EMA officials are familiar with the people, the vulnerabilities, and the resources of the regions they protect, and will not be introducing themselves to strangers on unfamiliar ground when disaster strikes.

Further recognizing the importance of mult-level government coordination, the bill creates a national advisory council on emergency preparedness and response—made up of State and local officials and emergency management professionals from public, private and NGO sectors—to advise the Administrator of U.S.-EMA.

Our bill provides a statutory basis for chief medical officer to advise the DHS Secretary on medical and public-health issues. Other sections promote public and community preparedness; evaluate the effectiveness of equipment for first responders; reauthorize and expand the emergency management assistance compact; and create an office of terrorism prevention at DHS.

Mr. President, the U.S. Emergency Management Authority Act is not a symbolic gesture, or a quick fix for our problems. It is a thoroughly researched, carefully drafted collection of reforms that will lay the foundation for years of hard work.

The result, we firmly believe, will be a significantly more effective national system of preparedness, mitigation, response, and recovery against natural disasters and terror attacks. Building on the insights of the Hart-Rudman Commission and on the important advances embodied in the Homeland Security Act, the U.S.-EMA bill will greatly improve the protections that American citizens need, and deserve.

Mr. President, my statement has outlined the reforms we are making to this new agency. They are considerable. They are going to make a real difference, and I hope we can pass legislation before the end of this year to greatly strengthen and improve FEMA and our emergency response system and preparedness on all levels of government.

## SUBMITTED RESOLUTIONS

### SENATE CONCURRENT RESOLUTION 107—CONGRATULATING DONALD ANDREW HALL FOR HIS SELECTION BY THE LIBRARIAN OF CONGRESS AS THE 14TH POET LAUREATE OF THE UNITED STATES AND FOR HIS GREAT ACCOMPLISHMENTS IN PROSE AND ESSAYS FOCUSING ON NEW ENGLAND RURAL LIVING, BASEBALL, AND HOW WORK CONVEYS MEANING TO ORDINARY LIFE

Mr. GREGG (for himself and Mr. SUNUNU) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

Whereas Donald Hall attended the prestigious Bread Loaf Writers' Conference at age of 16 on account of his prose and short story writing;

Whereas Donald Hall served as literary editor of Isis, the Oxford Poetry Society's journal, and won Oxford University's prestigious Newdigate Prize for ''Exile'';

Whereas Donald Hall served as the poetry editor of The Paris Review;

Whereas Donald Hall has held Stanford's Creative Writing Fellowship, a position in

Harvard's Society of Fellows, and a faculty position at Harvard for 18 years;

Whereas Donald Hall held the position of New Hampshire Poet Laureate from 1984 to 1989;

Whereas Donald Hall has published 15 books of poetry, including ''The One Bad'' (1988), ''The Happy Man'' (1986), and ''Exiles and Marriages'' (1955);

Whereas Donald Hall has also written 20 books of prose, children's books, and plays;

Whereas Donald Hall's most recent work is ''White Apples and the Taste of Stone: Selected Poems 1946-2006'';

Whereas Donald Hall has received numerous awards including 2 Guggenheim Fellowships, the Poetry Society of America's Robert Frost Silver Medal, a Lifetime Achievement Award from the New Hampshire Writers and Publisher Project, the Ruth Lilly Prize for Poetry, the National Book Critics Circle Award, the Los Angeles Times Book Prize, the Lenore Marshall Poetry Prize, and the Academy's Lamont Poetry Selection;

Whereas Donald Hall has been nominated for a Pulitzer Prize;

Whereas Donald Hall has won a Caldecott Medal for his children's book, ''The Ox-Cart Man'';

Whereas Donald Hall is a member of the Academy of Arts and Letters; and

Whereas recurring themes in Donald Hall's writings include New England rural life, baseball, and ordinary life: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),* That Congress congratulates Donald Andrew Hall for his selection by the Librarian of Congress as the 14th Poet Laureate of the United States and for his great accomplishments in prose and essays focusing on New England rural living, baseball, and how work conveys meaning to ordinary life.

## NOTICE OF HEARING

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been postponed before the Committee on Energy and Natural Resources.

The hearing originally scheduled for Thursday, June 29, 2006 at 10 a.m. in room SD–366 of the Dirksen Building has been postponed and will be rescheduled for a date to be announced.

The purpose of the hearing is to receive testimony on H.R. 5254, the Refinery Permit Process Schedule Act.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

For further information, please contact John Peschke at (202) 224–4797 Shannon Ewan at (202) 224–7555.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON ARMED SERVICES

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, June 28, 2006, at 3:15 p.m., in closed session, for a discussion on training and equipping Iraqi security forces.

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

### COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on June 28, 2006, immediately following the first rollcall vote of the day's session, to vote on the nomination of Mr. James S. Simpson, of New York, to be Federal Transit Administrator, Department of Transportation.

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

### COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DEMINT. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be allowed to meet at 10 a.m. on Wednesday, June 28, 2006, to consider H.R. 5252.

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

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DEMINT. Mr. President, I ask unanimous consent that the committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, June 28, 2006, at 10:30 a.m. The purpose of this meeting is to consider the nomination of Marc Spitzer, of Arizona, to be a member of the Federal Energy Regulatory Commission for the term expiring June 30, 2011, vice Nora Mead Brownell, resigned.

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

### COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. DEMINT. Mr. President I ask unanimous consent that on Wednesday, June 28, 2006, at 9:30 a.m., the Committee on Environment and Public Works be authorized to hold an oversight hearing on EPA regional inconsistencies.

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

### COMMITTEE ON FINANCE

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Wednesday, June 28, 2006, at 10 a.m., in 215 Dirksen Senate Office Building, to consider S. 1321, the Telephone Excise Tax Repeal Act of 2005, and an amendment that incorporates S. 832, the Taxpayer Protection and Assistance Act of 2005. Pending the introduction of a bill, the Chairman also intends to hold a markup of legislation to implement the U.S.-Oman Free Trade Agreement.

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

### COMMITTEE ON FOREIGN RELATIONS

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 28, 2006, at 2:30 p.m. to hold a hearing on nominations.

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

### COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Wednesday, June 28, 2006, at 10 a.m., followed by a full committee hearing commencing at 10:30 a.m. Both the executive session and full committee hearing are scheduled to be held in SD–430.

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

### COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet on Wednesday, June 28, 2006, at 10 a.m., to consider the nominations of Mickey D. Barnett, Katherine C. Tobin, and Ellen C. Williams to be Governors, U.S. Postal Service.

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

### COMMITTEE ON INDIAN AFFAIRS

Mr. DEMINT. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, June 28, 2006, at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct an oversight hearing on Native American Housing Programs.

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

### COMMITTEE ON THE JUDICIARY

Mr. DEMINT. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet to conduct a hearing on ''Hedge Funds and Independent Analysts: How Independent Are Their Relationships?'' on Wednesday, June 28, 2006 at 9:30 a.m. in Dirksen Senate Office Building room 226.

*Witness list*

Panel I: The Honorable Matt Friedrich Principal Deputy Assistant Attorney General, Crime Division, U.S. Department of Justice, Washington, DC; The Honorable Richard Blumenthal, Attorney General, State of Connecticut, Hartford, CT.

Panel II: Gary Aguirre, Former Investigator, Securities Exchange Commission, Washington, DC; Marc Kasowitz, Senior Partner, Kasowitz, Benson, Torres & Friedman LLP, Alliance for Investment Transparency, New York, NY; Joseph McLaughlin, Partner, Sidley & Austin LLP, Managed Fund Association, New York, NY;

Kim Blickenstaff, Chairman and Chief Executive Officer, Biosite, Inc., San Diego, CA; Owen Lamont, Professor of Finance, Yale School of Management, New Haven, CT; Demetrios Anifantis, Former Employee, Camelback Research Alliance, Inc., Scottsdale, AZ; Howard Schillit, Chief Executive Officer and Founder, Center for Financial Research and Analysis [CFRA, LLC], Rockville, MD; Jonathan Boersma, Director, Standards of Practice CFA Centre for Financial Market Integrity, Charlottesville, VA.

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

COMMITTEE ON THE JUDICIARY

Mr. DEMINT. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet to conduct a hearing on ''Judicial Nominations'' on Wednesday, June 28, 2006, at 2 p.m. in Dirksen Senate Office Building Room 226.

*Witness list*

Panel I: (Members of Congress).

Panel II: Kimberly Ann Moore to be United States Circuit Judge for the Federal Circuit; Bobby E. Shepherd to be United States Circuit Judge for the Eighth Circuit.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. DEMINT. Mr. President, I ask unanimous consent that the Subcommittee on Water and power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, June 28, 2006, at 2:30 p.m.

The purpose of the hearing is to receive testimony on S. 1812, to amend the reclamation projects Authorization and Adjustment Act of 1992 to provide for the conjunctive use of surface and ground water in Juab County, Utah; S. 1965, to authorize the Secretary of the Interior to convey certain buildings and lands of the Yakima Project, Washington, to the Yakima-Tieton irrigation district; S. 2129, to authorize the Secretary of the Interior to convey certain land and improvements of the Gooding division of the Minidoka Project, Idaho; S. 2470, to authorize early repayment of obligations to the Bureau of Reclamation within the A&B irrigation district in the State of Idaho; S. 2502, to provide for the modification of an amendatory repayment contract between the Secretary of the Interior and the North Unit Irrigation District, and for other purposes; S. 3404, a bill to preauthorize the MNI Wiconi rural water supply project; H.R. 2383, to predesignate the facility of the Bureau of Reclamation located at 19550 Kelso Road in Byron, California, as the ''C.W. 'Bill' Jones Plumbing Plant''; and H.R. 4204, to direct the Secretary of the Interior to transfer ownership of the American River pump station project and for other purposes.

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

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

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

## MEASURE READ THE FIRST TIME—S. 3590

Mr. FRIST. Mr. President, I understand there is a bill at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the title of the bill for the first time.

The legislative clerk read as follows:

A bill (S. 3590) to amend title XIX of the Social Security Act to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program.

Mr. FRIST. I now ask for a second reading, and in order to place the bill on the calendar under the provisions of rule XIV, I object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bill will be read a second time on the next legislative day.

## RURAL HEALTH CARE CAPITAL ACCESS ACT OF 2006

Mr. FRIST. I ask unanimous consent the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of H.R. 4912, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4912) to amend section 242 of the National Housing Act to extend the exemption for critical access hospitals under the FHA program for mortgage insurance for hospitals.

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

Mr. FRIST. I ask unanimous consent the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

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

The bill (H.R. 4912) was ordered to a third reading, was read the third time, and passed.

## ORDERS FOR THURSDAY, JUNE 29, 2006

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Thursday, June 29. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate then begin a period of morning business for up to 2 hours with the first 30 minutes under the control of the majority leader or his designee, the next 30 minutes under the control of the Democratic leader or his designee, to be followed by 30 minutes under the control of the majority leader or his designee, and the final 30 minutes under the control of the Democratic leader or his designee; provided further that following morning business, the Senate proceed to S. 3569, the Oman Free Trade Agreement.

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

## PROGRAM

Mr. FRIST. Mr. President, today Hank Paulson was confirmed by the Senate to be Secretary of the Treasury. I commend Chairman GRASSLEY and Senator BAUCUS for expediting this important Cabinet position and I, once again, wish through this body to thank Hank Paulson for his service.

Tomorrow we will consider the United States-Oman Free Trade Agreement. Since we do not expect to use all 20 hours that is allowed under the statute, we can anticipate a vote tomorrow afternoon. We will inform Senators as to when that vote will occur once it is scheduled.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. FRIST. If there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:26 p.m., adjourned until Thursday, June 29, 2006, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate June 28, 2006:

THE JUDICIARY

DEBRA ANN LIVINGSTON, OF NEW YORK, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT, VICE JOHN M. WALKER, JR., RETIRING.

KENT A. JORDAN, OF DELAWARE, TO BE UNITED STATES CIRCUIT JUDGE FOR THE THIRD CIRCUIT, VICE JANE R. ROTH, RETIRED.

RAYMOND M. KETHLEDGE, OF MICHIGAN, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE JAMES L. RYAN, RETIRED.

STEPHEN JOSEPH MURPHY III, OF MICHIGAN, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE SUSAN BIEKE NEILSON, DECREASED.

JOHN PRESTON BAILEY, OF WEST VIRGINIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF WEST VIRGINIA, VICE FREDERICK P. STAMP, JR., RETIRING.

MARY O. DONOHUE, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF NEW YORK, VICE FREDERICK J. SCULLIN, JR., RETIRED.

JOHN ALFRED JARVEY, OF IOWA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF IOWA, VICE RONALD E. LONGSTAFF, RETIRING.

ROBERT JAMES JONKER, OF MICHIGAN, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MICHIGAN, VICE GORDON J. QUIST, RETIRED.

PAUL LEWIS MALONEY, OF MICHIGAN, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MICHIGAN, VICE RICHARD ALAN ENSLEN, RETIRED.

JANET T. NEFF, OF MICHIGAN, TO BE UNITED STATES DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MICHIGAN, VICE DAVID W. MCKEAGUE, ELEVATED.

DEPARTMENT OF TRANSPORTATION

SEAN T. CONNAUGHTON, OF VIRGINIA, TO BE ADMINISTRATOR OF THE MARITIME ADMINISTRATION, VICE WILLIAM SCHUBERT, RESIGNED.

DEPARTMENT OF HOMELAND SECURITY

JAY M. COHEN, OF NEW YORK, TO BE UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY, DEPARTMENT

OF HOMELAND SECURITY, VICE CHARLES E. MCQUEARY, RESIGNED.

NATIONAL INSTITUTE FOR LITERACY

TIMOTHY SHANAHAN, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING NOVEMBER 25, 2007, VICE JEAN OSBORN, TERM EXPIRED.

PATRICIA MATHES, OF TEXAS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING NOVEMBER 25, 2007, VICE MARK G. YUDOF, RESIGNED.

CARMEL BORDERS, OF KENTUCKY, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING NOVEMBER 25, 2008. (REAPPOINTMENT)

DONALD D. DESHLER, OF KANSAS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING JANUARY 30, 2008, VICE PHYLLIS C. HUNTER, TERM EXPIRED.

ELIZA MCFADDEN, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING JANUARY 30, 2009, VICE DOUGLAS CARNINE, TERM EXPIRED.

BLANCA E. ENRIQUEZ, OF TEXAS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING JANUARY 30, 2009. (REAPPOINTMENT)

## CONFIRMATION

Executive nomination confirmed by the Senate Wednesday, June 28, 2006:

DEPARTMENT OF THE TREASURY

HENRY M. PAULSON, JR., OF NEW YORK, TO BE SECRETARY OF THE TREASURY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.