things go wrong. Oftentimes, this culture ''shoots'' the whistleblower instead of addressing the problem.

Mr. President, retaliation against whistleblowers should not be tolerated. We have an obligation to ensure that those who retaliate are punished. Congress has recognized the need to protect whistleblowers, and I have used my experience working with whistleblowers to promote legislation that protects them from retaliation—legislation such as the Whistleblower Protection Act, the Sarbanes-Oxley Act, and the False Claims Act.

These acts all recognize the benefits of whistleblowers and offer protection to those seeking to uncover the truth. For example, whistleblowers have used the False Claims Act to help the Federal Government recover nearly $20 billion since Congress passed my amendments in 1986. I think the deterrent effect—if you can quantify it—would be many times the $20 billion of hard cash that has actually come back into the Federal Treasury. These laws I gave are a good step. However, our work in this field is unfinished and more can be done.

The next step in protecting whistleblowers was filed in January and is currently pending before this body. It is S. 274, the Federal Employee Protection of Disclosures Act, which will provide much needed updates to Federal whistleblower protections. I am proud to be an original cosponsor of S. 274 and believe the Senate should move this important legislation. Unfortunately, this bill was introduced but not addressed in the last Congress. It is my hope this Chamber will act on S. 274 and improve the protections for whistleblowers.

I urge all of my colleagues to join in support of S. 274 and swiftly move this important legislation to help protect whistleblowers further than present law does. I also urge all of my colleagues to attend the events that are occurring all week to help celebrate whistleblowers, point out that this is an important tool in the checks and balances of our Government, and all that whistleblowers have done to benefit the work of Congress and, more important, all they have done to make America safer, stronger, a better nation, and to make sure we get our dollars' worth for the taxpayers' dollars.

ALTERNATIVE MINIMUM TAX

Mr. GRASSLEY. Mr. President, I have addressed my colleagues many times over the past few months to advocate for the American families who will pay the alternative minimum tax in 2007. You have all heard me say the AMT is an absolutely maddening tax that has insidiously crept into the homes of more and more families each year and that it should be repealed.

The AMT was first installed by Congress in 1969. It created a two-tiered tax system, and that tax system still exists. It essentially pieced together a backup tax to ensure that the wealthiest taxpayers among us did not evade income taxes altogether through the use of tax shelters, loopholes, and deductions—albeit all legal—in the labyrinth of the Federal Tax Code.

The road to tax fairness is paved with good intentions, but this one—the AMT—has created a giant-sized pothole that is going to drive middle-income taxpayers batty. Unlike the Federal income tax, the AMT is not indexed for inflation. That means more and more middle-income taxpayers are being slapped with higher tax rates and fewer exemptions, credits, and deductions as they fall under the creeping shadow of this 36-year-old stealth tax.

On top of the unfair tax burden is its mind-boggling complexity. No wonder the AMT is causing major heartburn among more and more families across America, especially those who live in high-tax States and have three or four children. That is because the AMT causes taxpayers to lose standard deductions for State and local tax payments and for personal exemptions, even including spouses and children.

In 2004, about 3 million taxpayers—about 2 percent of all taxpayers—were subject to the AMT. But without congressional action, up to 23 million taxpayers are, right now, subjected to the AMT during this 2007 tax year. In order to prevent this, my friend and chairman of the Finance Committee, MAX BAUCUS, and I introduced legislation on the first day of the 110th Congress to repeal the individual alternative minimum tax beginning in the 2007 tax year.

My colleagues have also heard me say the AMT has expanded beyond its original intent and that it is now a tax that Congress never intended to collect—meaning they never intended to collect it from 23 million taxpayers who are right now hit with it, who would not have been hit with it before, and were never intended to be hit with it.

Over the past 6 years, Congress has had to enact a series of what I call ''patches'' to prevent the AMT from hitting more and more middle-class Americans—a class of taxpayers never intended to be taxed by it. More recently, Congress acted to prevent millions of taxpayers from receiving this surprise on their 2006 tax returns by including an extension of AMT relief in the Tax Increase Prevention and Reconciliation Act of 2005. This provision extended the AMT exemption that was initiated in the Jobs and Growth Tax Relief Reconciliation Act of 2003 through the year 2006 but at a higher level. The exemption for married couples filing jointly was increased from $58,000 to $62,550.

This week, in fact, marks the 1-year anniversary of the enactment of the conference agreement of that last act. That act contained the AMT ''patch'' for 2006. Nearly 20 million American families who were exempt from the AMT before that because of the 2006 patch knew at this time last year that Congress was moving to relieve the AMT burden for the whole year of 2006. This year, those very families, plus several million more, have no such assurance by this Congress.

Now, to the contrary, the Democratic leadership, now the majority in this Congress, doesn't appear to be moving any legislation to address the AMT. I would be happy for them to move the Baucus-Grassley repeal bill. I know our chairman, Senator BAUCUS, is like me, concerned about the uncertainty caused by the inaction of the leadership.

The Tax Code has a thicket of problems requiring attention. But this one—the AMT—is the thorniest and must be addressed not later, but we must address it right now. Some of you may wonder why this is a pressing issue. Why can this not wait for an AMT patch at the end of the year? This is the reason: It is because 23 million American families who are subjected to the AMT in 2007 are dealing now with the uncertainty of whether, by hook or by crook, they must come up with the money to set aside to pay that tax in April of next year. Many of them—just check the instructions from the 2007 estimated tax payment forms—don't have the option of waiting until next April because they have to file their estimated tax payments quarterly this very year.

So some of them filing, on April 15, a quarterly report had to figure in that alternative minimum tax and set money aside and send it into the Treasury because the here and now is here and now for those 23 million people, or the ones who have to file quarterly returns.

Those families have already seen that first estimated tax payment come and go. Hopefully, they had some refund coming to them from last year they were able to offset against a portion of that first payment. Of course, we know many of them had to shell out the tax and send the Federal Government more of their hard-earned money with that first estimated tax payment last month.

Unfortunately, as unpopular as the AMT is among taxpayers and policymakers, it is not easy to simply erase it from the books because of the massive amount of revenue that it is set to raise over the next decade. That is funny because this is coming from taxpayers never intended to be taxed by it in the first place. That is how idiotic this can get.

Until recently, I had hoped the Senate was unified in not wanting to collect the AMT for this year or any future year. On March 23, I offered an amendment to the 2008 Senate budget resolution that would have required Congress to stop spending amounts that are scheduled to come into the Federal coffers through the AMT—from middle-income taxpayers who were never intended to pay it in the first place. This would have put some honesty back into our budgeting process.

However, not a single colleague on the other side of the aisle voted in its favor. Repealing the AMT would put lawmakers on notice to either trim Federal spending by a like amount or be transparent about the revenue base.

On the House side, we hear that the Ways and Means Committee is doing a lot of talking about the AMT, but they have yet to move to action. We are forced to wonder what their plans may be. To do that, we need only read what they have been saying and think through the conclusions on such proposals.

It has been reported that some in the other body—the majority party, the Democrats—plan to exempt everybody who earns less than $250,000 a year from the AMT. It sounds to me as if they might be on the right track to full repeal when I hear that. However, we need to follow through on what exactly they would do if they insist on providing pay-fors to cover the lost revenue under the new pay-go rules that are being adopted.

One option is reportedly being floated on the House side which is to pay for a $250,000 AMT exclusion by raising the top marginal income tax rate. Well, we have found some shocking numbers when we examine that issue further. In order to exempt folks who earn less than $250,000 from the AMT, if you insist on raising taxes to offset it, you would have to raise the top marginal tax rate to over 46 percent.

Now, we have a chart showing the top marginal tax rate. Back in the 1970s, it was 70 percent, and it gradually went down to a low of 28 percent. Now it is back at 35 percent, and the red mark would have the highest marginal tax rates that we have had since 1980. I will take a few minutes to put that regular income tax rate into a historical perspective.

In 1913, when less than 1 percent of the population was subject to the income tax, the rate ranged from 1 percent to 7 percent. Rates increased significantly during the 1920s, 1930s, and 1940s, up to a top marginal tax rate of over 90 percent. The concept of deduction for home mortgages, interest, charitable contributions, State and local taxes, to name a few, became ingrained in the code during that period of stifling high tax rates.

During the President Kennedy administration, tax rates were reduced from 91 percent to 70 percent on the highest income levels, and rates fell again during the Reagan administration, first from 70 percent to 50 percent, and then again the top marginal tax rate was 28 percent by the 1986 Tax Act. The top rate now stands at 35 percent.

It is important to remember that when we look at those historical rates, the tax base was narrower prior to 1986 than it is today. Many phaseout and phasein concepts took hold in 1986, such as PEP and Pease limits. Today, substantially all individual tax incentives are phased out and capped, and the result of this base broadening is that if the Tax Code were to approach a tax rate similar to the highest marginal rate under the more narrow pre-1986 tax base, it would result in substantially higher effective tax rates than in the pre-1986 tax rates. A marginal regular income tax rate of over 46 percent may actually exceed the top effective rate that was in place before 1986 because of the increase in the tax base.

Another option that may be working its way through the mill on the House side is to pay for that exemption by raising the top alternative minimum tax rate. Again, with that option, the tax rate increase is staggering. The top AMT rate would go up to nearly 37 percent.

There is a popular misconception that Congress can sit on its hands on tax policy before the next election and that there will be no tax increase until 2011. While that view is comforting, it is uninformed. Just enacting the alternative minimum tax patch for 2007 will cost over $50 billion. That also means that without doing the patch, Americans then will pay the $50 billion higher alternative minimum tax, and it is coming from middle-income taxpayers who were never intended to be taxed when the alternative minimum tax was put in place back in 1969. So we must act to prevent such an unfair tax increase.

The folks who voted against my amendment to take the AMT revenue off the table for the tax and spenders have some real explaining to do soon. It is possible that they will do nothing on the tax side. The result is a $50 billion tax increase on families, middle-income-tax families, who are going to be subject to the AMT for the first time and are subject to it right now, or they may propose some sort of exemption or relief that is paid for by other tax increases and face the music on proposing a massive tax increase on the neighbors of those who have been paying the AMT, or perhaps they may provide AMT relief but fiddle away the money in the budget anyway and increase the deficit.

I suggest that the tax and spenders consider learning to hum a different tune and spend within their means soon or folks may just figure out that they planned to raise their tax rates all along. So the sad reality is that while it is the new congressional majority that needs to face the music, it is likely to be the American taxpayers who will end up singing the blues.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WATER RESOURCES DEVELOPMENT ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will proceed to the consideration of H.R. 1495, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1495) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized to offer an amendment.

AMENDMENT NO. 1065

Mrs. BOXER. Mr. President, I call up amendment No. 1065.

It is an amendment in the nature of a substitute. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself and Mr. INHOFE, proposes an amendment numbered 1065.

Mrs. BOXER. I ask unanimous consent the reading of the amendment be dispensed with.

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

(The amendment is printed in the RECORD of Thursday, May 10, 2007, under ''Text of Amendments.'')

AMENDMENT NO. 1086 TO AMENDMENT NO. 1065

Mrs. BOXER. Mr. President, I see my leader is here, but before he starts, I wish to also call up the Feingold amendment No. 1086, and ask that be brought up and laid aside and considered as read.

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

The clerk will report the amendment by number.

The legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself and Mr. FEINGOLD, proposes an amendment numbered 1086 to amendment No. 1065.

(The amendment is printed in the RECORD of Friday, May 11, 2007, under ''Text of Amendments.'')

Mrs. BOXER. I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

AMENDMENT NO. 1097

Mr. REID. Mr. President, I appreciate the manager of the bill, the chairman of the Environment and Public Works Committee, the distinguished Senator from California, allowing me to obtain the floor.

We all know 2 weeks ago President Bush vetoed the supplemental appropriations bill, a bill to fully fund the troops in Iraq and change the course of