

we do not spend too much money, and restore to the American people the confidence in our budgetary process that they have in their own around the kitchen table.

We are a great country because we have always risen to the occasion. There may have never before been, domestically, a more difficult financial occasion than the one we face today. In the hours ahead, I hope we will rise and come to a conclusion that will benefit the taxpayers on Wall Street and will ensure the financial stability and the confidence of American consumers in this great economy and our great country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

H.R. 3999

Ms. KLOBUCHAR. I rise to speak about H.R. 3999, which is the companion bill to the bill that Senator DURBIN and I introduced in the Senate about bridges and bridge repair. Senator BOXER today asked that this bill be called up. It successfully was passed through our committee, the Environment and Public Works Committee. She asked that the bill be called up because, obviously, we are in the waning days of the session, and we believed this was an incredibly important bill for this country.

Unfortunately, the other side blocked this bill; they would not allow this bill to be heard. I would like to make some comments about the objection from the other side to this bill.

I do not understand it. I think everyone knows what happened in Minnesota. On August 1, our Nation was shocked to learn that this eight-lane highway in the middle of Minnesota, the I-35W bridge, collapsed. I have said many times after that terrible day that a bridge should not fall down in the middle of America, not a bridge that is an eight-lane freeway, not a bridge that is six blocks from my house, not a bridge that I drive my 13-year-old daughter over every day.

Now, as you know, there has been great progress in rebuilding that bridge. In fact, we have a new bridge. That bridge opened about a week ago, and that new bridge spans the river. We are very proud of the workers who worked on that bridge. But it is also a spot of great sadness as we remember the 13 people who died, the 50-some people who were injured, the 100-some cars that went into the river, and all of the rescue workers who saved so many lives.

We must still get to the bottom of why this enormous bridge fell into the middle of the Mississippi River. It did not happen because of an earthquake or a barge collision; something went terribly wrong. We need to get the answer. Evidence is accumulating that the bridge's condition had been deteriorating for years, and that it had been a subject of growing concern with the

Minnesota Department of Transportation.

This was not a bridge over troubled waters; this was a troubled bridge over waters. Still, as a former prosecutor, like the Presiding Officer, I know we must wait until all of the facts and evidence are in before we reach a verdict. We will need to be patient as the investigation continues.

Mark Rosenker, the Chairman of the National Transportation Safety Board, said last month that the NTSB investigation is nearing completion, that a final report should be ready for public release very soon.

The chairman also said that photographs of the gusset plate, which were a half inch thick and warped, were stressed by the weight of the bridge and may have been a key indicator to the dangerous state of the I-35W bridge.

Now we know that this was most likely a design defect in the bridge, but the Chairman has said recently that these photographs show that there were some visible problems. So we will await the report to see what the NTSB thinks about that. But clearly there was some indication that there were problems with this bridge.

Finally, the bridge collapse in Minnesota has shown that America needs to come to grips with the broader question about our deteriorating infrastructure. The Minnesota bridge disaster shocked Americans into realizing how important it is to have a safe, sound infrastructure. Because we also have learned that another bridge in our State, and I think you have seen this across the country, had a similar design.

We have actually looked at all of our bridges in Minnesota. We have another bridge that is also closed down in the middle of St. Cloud, MN, a midsized city. This bridge has been closed down. And we look all over the country and we have problems with our infrastructure.

According to the Federal Highway Administration, more than 25 percent of the Nation's 600,000 bridges are either structurally deficient or functionally obsolete.

Unfortunately, it took a disaster such as the bridge in our State to put the issue of infrastructure investment squarely on the national agenda. Of the 25 percent of the Nation's bridges that have been found to be in need of repair—the 600,000—74,000 come into the category of structurally deficient. In my home State, that means 1,579 bridges are considered structurally deficient. There is virtually no way to drive in or out of any State without going over one of these bridges. When the average age of a bridge in the country is 43 years and 25 percent of all American bridges are in need of repair or replacement, it is time to act.

Recently, the Government Accountability Office released a study raising several issues regarding the Federal Highway Bridge Program. First, the

program has expanded from improving deficient bridges to include funding criteria that make nearly all bridges eligible. Second, States are able to transfer bridge program funds to other transportation projects. Third, there are disincentives for States to reduce their inventories of deficient bridges since doing so would reduce their Federal bridge funds. Finally, GAO noted that the long-term trend is more bridges in need of repair and the cost of repair rising as well. In other words, the Highway Bridge Fund is not fiscally sustainable.

A few weeks ago, Transportation Secretary Peters announced that the Federal highway trust fund would not be able to meet its obligations. We replenished that fund, but that is not enough. We all know that is not enough. That is why Senator DURBIN and I introduced S. 3338, the National Highway Bridge Reconstruction and Inspection Act, which is a companion bill to H.R. 3999, the bill Congressman OBERSTAR successfully authored and moved through the House. In the House, there was much Republican support for the bill. It passed by a wide margin.

The reason I care about it is, after we looked at what happened with our bridge in Minnesota, we found out that about 50 percent of the Highway Bridge Fund, Federal funds, had not been used for bridge maintenance. It had been used for other things. This was all across the country. We found out they were used for a construction project, used to plant flowers, all kinds of things. We think if we have a Highway Bridge Program, that money should be used for bridge maintenance and bridge reconstruction.

At the hearing Chairman BOXER had on this topic, we actually had some interesting testimony from witnesses who talked about the fact that bridge maintenance is never a very sexy thing. People don't like to do that as much because it doesn't involve cutting ribbons and new projects. There are all kinds of actual reasons we have not been putting the money that we should into bridge maintenance.

What our bill does is require the Federal Highway Administration and State transportation departments to develop plans to begin repairing and replacing bridges that pose the greatest risk to the public. This triages it and says: Let's look at the bridges that are most in need of repair and let's put our money there first. I cannot believe my colleagues on the other side of the aisle would object to that kind of idea, that we should actually make sure we are repairing the most seriously problematic bridges first.

It would also require the Federal Highway Administration to develop new bridge inspection standards and procedures that use the best technology available. You wouldn't believe some of the old technology that is still being used. As time goes on, we have developed new and more advanced technology, and that technology is

what should be used in order to examine bridges and figure out what is wrong with them and which ones should be repaired. As I mentioned, because some of the States have been transferring their bridge repairs to highway maintenance programs to use for wildflower plantings or road construction, this bill also ensures that Federal bridge funds can only be transferred when a State no longer has bridges on the national highway system that are eligible for replacement.

Anyone out there, if they heard that bridge money was going to other things, it wouldn't make sense to them, when we have bridges falling in the middle of America.

Finally, this bill authorizes an additional \$1 billion for the reconstruction of structurally deficient bridges that are part of the national highway system.

When you look at what we do here, we first improve the safety of these bridges. We do it by using a risk-based prioritization, a triage of reconstruction of deficient bridges. It has with it an independent review. It has with it a performance plan. It doesn't allow earmarking. It says: Let's look at where the most seriously deficient bridges are and go there first.

Secondly, it strengthens bridge inspection standards and processes. It requires the immediate update of bridge inspection standards. We had a lot of testimony on this as to why it is important because we have new information and reasons we want to update the standards. Certainly, the bridge collapse in Minnesota showed we want increased scrutiny of inspection standards. We are going to await that report. We do know there may have been some problems with the inspection. It was a design defect initially, but there may have been problems with the inspection. That is why we want to upgrade.

Third, we increase the investment for the reconstruction of structurally deficient bridges on the national highway system, \$1 billion. If they are spending \$10 billion a month in Iraq, it boggles my mind why the other side would block us from trying to spend \$1 billion on bridges in America that are sorely in need of repair.

That is our plan. That is what we are trying to do. It is a start. We all know there is a lot more work that needs to be done and that will be done in the Transportation bill that our committee will be considering next year. We know work has to be done with funding with an infrastructure bank, to look at other ways to fund our transportation system. We know we need to do better with the increasing cost of gasoline, with public transportation and other ways of travel. We also know we have a burgeoning energy economy, which is exciting for the rural areas of my State, with wind and solar and geothermal and biomass. As we know from projects across the country, we will need better transportation systems to

transport energy to market. Yet we have failed to improve our transportation system. If we are going to move into the next century's economy, we cannot be stuck in the last century's transportation system.

This bill will at least make sure our most seriously dangerous bridges are repaired and maintained. It is a start. That is why I am asking my colleagues on the other side of the aisle not to block this bill, not to add a bunch of amendments that have not gone through committee because we are in the waning days of the session. We only have the House bill now, because that is the easiest vehicle to use, even though the Senate bill was exactly the same. Then we don't have to have a conference committee. We just want to get this done. I am hopeful this will head us in the right direction toward action. As we learned that August 1 day in Minnesota, we cannot afford to wait. We have to get this done.

I yield the floor and 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. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

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

SEC OVERSIGHT

Mr. GRASSLEY. Mr. President, 2 years ago I started conducting oversight of the Securities and Exchange Commission. I did it only in response to a whistleblower who came to my office complaining that the Securities and Exchange Commission supervisors were pulling their punches in their investigation of major hedge funds. Nearly a year and a half ago, I came to this floor to introduce an important piece of legislation based on what I learned from my oversight 6 months before. The bill was aimed at closing a loophole in our security laws.

Now, in light of all the discussion going on about the problems of our financial markets and Wall Street and a very unusual weekend session we are having, as people are attempting to work compromises to help on Wall Street in light of all this current instability, it is critical that Senators take another look at this bill I introduced. It is S. 1402, introduced a year and a half ago, not just because it has become clear that we have a lot of financial problems up on Wall Street. S. 1402 is called the Hedge Fund Registration Act. It is pretty simple. It is only two pages long. All it does is clarify that the Securities and Exchange Commission has the authority to require hedge funds to register so the Government knows who they are and what they are doing. In other words, a little transparency that seems to be lacking in our ability to quantify the instruments that are securitized mortgages that are

creating problems. So if there was a little more transparency there, unrelated to the issue I bring before the Senate, transparency makes a difference. We know what is going on. We quantify it.

Given the Securities and Exchange Commission's current attempts to halt the manipulative short selling and other transactions by hedge funds that threaten the stability of our markets, I am disappointed the Senate did not adopt this legislation a long time ago. If it had, the Securities and Exchange Commission might have more of the tools it needs now in these very nervous markets.

One major cause of the current crisis is, as I have said just now, the lack of transparency. Markets need a free flow of information to function properly. Transparency was the focus of our system of securities regulations adopted in the 1930s. Unfortunately, over time, the wizards of Wall Street figured out a million clever ways of avoiding transparency. The result is the confusion and uncertainty fueling the crisis we are trying to solve this weekend on the helping of Wall Street financially and stopping a credit crunch in this country. This bill would have been one important step toward greater transparency on Wall Street, but so far it has been a lonely effort on my part from the standpoint of this bill I introduced a year and a half ago. Perhaps attitudes have changed in the last several months, so I would urge my colleagues to support this legislation and help me assure it becomes law.

Technically speaking, the bill would amend section 203(b)(3) of the Investment Advisers Act of 1940. It would narrow the current exemption from registration for certain investment advisers. This exemption is used by large, private pooled investment vehicles, commonly referred to as "hedge funds." Hedge funds are operated by advisers who manage billions of dollars for groups of wealthy investors in total secrecy. They should at least have to register with the Securities and Exchange Commission, such as other advisers do.

Currently, the exemption applies to any investment adviser who had fewer than 15 clients in the preceding year and who does not hold himself out to the public as an investment adviser. The Hedge Fund Registration Act I introduced narrows this exemption and closes a loophole in the securities laws that these hedge funds use to avoid registering with the Securities and Exchange Commission and operate in secret. Hedge funds affect regular investors. They affect markets as a whole.

My oversight of the SEC has convinced me that the Commission and the self-regulatory organizations need much more information about the activities of hedge funds in order to protect the markets. Organizations that wield hundreds of billions of dollars in market power every day should be registered with the agency Americans rely on to regulate financial markets.