

home and want to buy another. That has spurred home sales.

We need to stabilize the prices, which remains the top priority. We also need to keep the pressure on the banks, the lenders, to work with folks who are losing their homes.

Many places across the Nation, and specifically Florida, are responding to the crisis by adopting mandatory mediation as an alternative to foreclosures, thereby forcing banks to modify mortgages and avoid a foreclosure altogether.

A great success story is a program in Philadelphia where borrowers can keep their homes in a program that is being looked upon as a model for the rest of the Nation. Under a plan put in place by the city's civil court, no property can be foreclosed in that court and sold by the sheriff until the mortgage company sits down with the homeowner to try to find a solution.

Unlike the administration's effort to stem foreclosures, which relies on giving incentives to mortgage companies to encourage them to work with homeowners—a program that has not worked as the Obama administration has intended—the Philadelphia program, in contrast, is not a voluntary program. Mortgage companies are forced to participate. While that Philadelphia program will not result in every troubled homeowner getting the outcome they are looking for, making those lenders come to the table is a step in the right direction. But if we are going to bring back health to our banking and financial system, we are going to have to fix the problems that are driving our community and regional banks to insolvency. The crisis in residential and commercial real estate values, home foreclosures, and nonperforming commercial real estate loans is wiping out those regional and local bank balance sheets.

In response, those regional banks are desperately hanging on to their deposits and other assets. I wish I didn't have to say this, but the Obama administration, particularly Secretary Geithner, has not done a good job in leading our banking system and real estate markets to recover. Their response to the collapse in residential real estate was a tepid loan modification program which in most cases kicked the can down the road for the few underwater homeowners who were fortunate enough to qualify. Their response to the crisis in commercial real estate has been absent altogether. The consequence is that the commercial real estate market is on the verge of its own collapse as creditors are reluctant to refinance commercial projects.

Half way through the year, Florida banks had over \$5 billion of commercial real estate loans in default. Commercial real estate makes up over one-third of the assets of Florida banks. These growing liabilities are putting the brakes on bank lending in Florida, and they are hurting creditworthy small businesses and prospective home

buyers. It is a vicious downward spiral that is not easily broken. One thing is clear: The Troubled Asset Relief Program has not been the answer.

When then-Secretary of the Treasury Hank Paulson, the former head of Goldman Sachs, first proposed TARP, there were a number of us on this floor who opposed and voted against it. I thought it was massive and a wasteful bailout of the Wall Street banks with zero accountability and no meaningful reform. What have we found out about it? Of the \$700 billion that Congress appropriated for TARP, over \$220 billion has yet to be loaned out and only some \$70 billion has been repaid. I believe we should end the program once and for all and return those funds to the U.S. Treasury to prevent us from falling deeper into fiscal debt and a fiscal black hole. Bringing the deficit under control would then help stabilize interest rates. It would hold borrowing costs down, and it would reduce the growing debt burden on future generations. That still leaves roughly \$400 billion of TARP funds outstanding.

Bank of America, Citigroup, and Wells Fargo need to repay the TARP funds that have propped them up for more than a year. They need to stand on their own feet. Banks such as Goldman Sachs that have repaid their TARP funds still owe a tremendous debt to American taxpayers. Goldman Sachs, Merrill Lynch, and a slew of other banks all profited from the dollar-for-dollar taxpayer bailout of AIG's credit default swaps, those insurance policies. Under that AIG bailout, the most outrageous of all the bailouts, \$70 billion of American taxpayer funds was put at risk to ensure that speculators in credit default swaps were fully protected. The head of Goldman Sachs recently apologized for his firm's reckless behavior and pledged to commit \$500 million for small business lending. That sounds like a serious commitment, until we consider that Goldman Sachs has set aside \$17 billion for year-end bonuses. So while Main Street is tightening its belt and preparing for a lean holiday season, Wall Street is still living high on the hog. That must change.

As banks repay their TARP loans, we need to consider how we use those funds, how we reform the financial sector. To get us back on track, we will have to be creative and find new solutions to ensure that businesses have access to the capital they need to grow, prosper, and hire new workers.

I have a few suggestions. First, we need to scrap the trickle-down TARP model and start working from the bottom up. We need to focus on access to capital for small businesses and ways to shore up residential and commercial real estate values. TARP has focused far too much on the largest Wall Street banks at the expense of community and regional banks, the backbone of finance in Florida. We need to increase Federal support and assistance to community banks and credit unions.

Second, we need to look at other ways to improve access to capital such as promoting direct lending by the Small Business Administration.

Third, we need a flexible approach to dealing with underwater homeowners, those whose value is now less than the value of their mortgage, which is so typical in the State of Florida. A flexible approach would be like the one in Philadelphia which is undertaking to require mediation and loan modifications.

These are a few suggestions I have in this very tough economic time.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. KYL. I ask unanimous consent to speak up to 20 minutes in morning business.

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

HEALTH CARE REFORM

Mr. KYL. Mr. President, I rise to talk about the health care legislation because in a few minutes the official debate in the Senate will commence. The American people will have before them the full panoply of arguments both for and against the legislation. They will make their judgment about whether we are in fact carrying out their will.

According to public opinion surveys, the will of the American people is that this bill should not pass. According to a relatively new Rasmussen poll, by an 18-point margin, Americans say this bill should not pass. By 56 to 38, they oppose it. In terms of people in the middle, the independents or other voters not identified with either political party, the percentage of people who oppose the legislation is even greater. More than 3 to 1, Independents oppose this legislation. The majority believes it will both increase their costs and decrease the quality of health care. It is for these reasons that I indicated before—and I will say it again—I don't think this bill can be fixed. In fact, I don't think the majority will allow it to be fixed. That is why, along with my Republican colleagues, I believe we should start over and attack the problems that face our country in a more realistic way, in a step-by-step approach, first to win back the confidence of the people and then to provide elements of relief to each of the problems we face, rather than trying to tackle the entire health care system, the government programs, the private programs, the insurance, the physicians, the hospitals, trying to do it all in one giant bill that results in massive government takeover, over \$1 trillion—in fact, \$2.5 trillion—in expenditures, massive new debt, more taxes, higher insurance premiums, all of which will result in, ultimately, the rationing of health care which is, to me, the most dangerous part of this entire exercise.

Somehow or other, we could probably pay the expense of this. Somehow or

other we will survive. But we won't survive the life-and-death decisions that are made every day by patients, doctors, and families, if the government begins intruding between the patient and the physician, begins making decisions about what kind of health care we can have, what kind of health care the government will allow payment for and the like. Those become life-and-death decisions. That is why Americans feel so strongly and personally about this debate and about the decisions we are about to be making here.

Let me address something the distinguished majority leader said a moment ago, and then I wish to talk a bit about Medicare as one of the aspects of this insurance debate.

The majority leader said that Republicans have had a seat at the table. I am on one of the two major committees, the Finance Committee. I think one amendment was adopted. It was an amendment offered by a Republican and a Democrat on the committee. There were well over 100 amendments that Republicans offered that were all shot down, defeated, largely on party-line votes. I say to my distinguished friend from Nevada that maybe we have a seat at the table but it is a little like the kids table at Thanksgiving dinner where you are told to mind your manners and keep the noise down. That is the way Republicans feel about our role at the table in fashioning this legislation.

The majority leader himself would acknowledge that after the two committees in the Senate acted, he went behind the closed doors of his office and, along with representatives from the White House and a couple of other Democratic Senators, no Republicans at all, legislation was developed in his office that he then presented here on the Senate floor just before the Thanksgiving recess. That is how the legislation got developed. It was without Republican participation.

We will have a chance to amend this bill. Maybe he will prove me wrong. Maybe he will demonstrate that we can fix this bill.

I do, with all deference, disagree with his comment that the motivation of Republicans is to do nothing. Of course, he frequently says doing nothing is not an option. Nobody is arguing about doing nothing. Republicans have presented some very good ideas to do something, to do a lot of somethings. Our ideas have been rejected. Let's don't get into false debate about doing something or nothing and the only alternative is the bill that is on the Senate floor. There are alternatives, and I will discuss one group of alternatives we have presented in a moment.

There will be a good test to see whether in fact we can amend this bill or if my prediction that there is no way to fix it will turn out to be true. That has to do, first and foremost, with what this bill does to Medicare, the program we have developed for seniors.

Let me go over some of the Medicare cuts in this bill and then ask my Democratic colleagues if they are willing to join Republicans in restoring these provisions of Medicare—in other words, in striking these cuts—if they are willing to join Republicans in that effort. Then maybe the majority leader is right. Maybe we can fix this bill. If they are not willing to do that, then I resubmit that this bill can't be fixed, and it can't because our Democratic friends won't allow it to be fixed.

Here are the ways this bill cuts Medicare benefits for seniors: \$137.5 billion is cut from hospitals that treat seniors; \$120 billion is cut from Medicare Advantage. I will return to Medicare Advantage in a moment. That is the private insurance company that somewhere around a quarter to a third of seniors take advantage of. Well over a third of the seniors in Arizona, approaching 40 percent of Arizona seniors, participate in the Medicare Program, the benefits of which are substantially cut. Continuing, \$14.6 billion is cut from nursing homes; \$42.1 billion from home health care, \$7.7 billion from hospice care. That is a total of \$464.6 billion in Medicare cuts. Seniors know we can't make these kind of cuts without jeopardizing the care they receive. That is the concern I have. We are not talking about cuts in the abstract. We are talking about delay and denial of care for American citizens. These folks wonder how it is fair or justifiable to cut the health care that has been promised to them in order to pay for some kind of new government entitlement.

I receive letters and phone calls every day. I have quoted from many of these letters. Many of them have to do with the proposed cuts in Medicare, in particular to Medicare Advantage.

I mentioned the percentage. In numbers, it is about 329,000 Arizonans—329,000 Arizonans—a third of a million who enjoy Medicare Advantage plans. That is over 37 percent of overall Medicare beneficiaries in my State of Arizona. They know \$120 billion in Medicare Advantage cuts will hit our State and, specifically, their coverage very hard. They worry that under the Reid bill, they will lose the low deductibles and the low copayments they enjoy under Medicare Advantage and many of the other benefits I mentioned a moment ago.

They worry about losing the choices they have, which is one of the nice things about the Medicare Advantage plan, and the extra benefits, including things such as eyeglasses, hearing aids, dental benefits, preventative screening, free flu shots, home care for chronic illnesses, prescription drug management tools, wellness programs, medical equipment, and access to physical fitness programs. These and many more are the kinds of benefits that are included in the Medicare Advantage Program, and they will lose many of these benefits under the legislation that is before us right now.

I think they have a right to be concerned about losing these benefits. If there is any doubt about this, incidentally, the Congressional Budget Office, which is a nonpartisan entity which serves both Democrats and Republicans here—it calls it straight; sometimes they give answers we do not like, but they provide the analysis of the costs and benefits—and the Congressional Budget Office has confirmed that under the Democrats' bill, Medicare Advantage beneficiaries will lose, and they will lose big. In fact, they will lose more than half their extra benefits under Medicare Advantage.

Well, my senior citizen constituents do not like that, and they have let me know about that. Let me share a couple letters—just excerpts from letters from two of my constituents. The first is from Surprise, AZ:

My mother is on Medicare Advantage, and I don't know what she would do without it.

The poor and middle class are already hurting much more than government officials realize. We are on fixed incomes, and have already cut back to bare minimum. What happened to "government for the people, by the people?"

Another constituent from Gold Canyon, AZ, writes:

I have been on Medicare for 11 years and have been subscribing to a Medicare Advantage plan for the past 6 years. It has been excellent, and has provided substantial savings for us. Now we understand that the government is dropping its support of the plan. Please try to stop this. It is very important to many senior citizens in Arizona.

These constituents of mine, these senior citizens, know Medicare cuts will hurt seniors' care, and those who try to suggest otherwise are simply wrong. The Congressional Budget Office, as I have said, has confirmed it.

One of the newspapers on Capitol Hill, Politico, recently provided a helpful summary of an actuarial report on the Democrats' health care plan, prepared by the Centers for Medicare and Medicaid Services. That is CMS. That is the outfit out of the Department of Health and Human Services that actually runs Medicare. According to page 8 of the report, as Politico summarizes, the Democrats' bill:

... reduces Medicare payments to hospitals and nursing homes over time, based on productivity targets. The idea is that by paying institutions less money, they will be forced to become more productive. But it's doubtful that many institutions can hit those targets, which could force them to withdraw from Medicare.

We hear it all the time: physicians dropping or not taking any new Medicare patients; entities that are no longer going to be able to serve Medicare patients because they are not getting paid enough by the government for them to even break even.

This report I am quoting from—the CMS report—according to Politico, says that by 2014, Medicare Advantage enrollment will plunge 64 percent—we are not talking about just a few folks—from 13.2 million down to 4.7 million because of the "less generous benefit packages."

One of the reasons this is being done is because those on the left do not like private competition for the government program, Medicare. What I think they fail to appreciate is what my constituents have appreciated, which is this private alternative to regular Medicare provides additional benefits, additional health protections. If they are willing to pay a little bit more for those benefits, why shouldn't they be allowed to take advantage of those benefits? No. Those on the left say: We don't want any private insurance companies competing to get Medicare patients. We want that to be strictly a government program.

Well, if folks like it, why shouldn't they be allowed to keep it? Remember what the President said: If you like your insurance company, you get to keep it. No, that is not true, according to this. Medicare Advantage enrollment will plunge from 13.2 million to 4.7 million because of the "less generous benefit packages." So I guess it is not true: If you like it, you get to keep it.

The Washington Post—a newspaper here in Washington—wrote an article about the Center for Medicare and Medicaid Services report, the same one I have been quoting here, and the headline was "Bill Would Reduce Senior Care." Well, that says it in a nutshell. The story goes on to tell us: "A plan to slash . . . Medicare spending—one of the biggest sources of funding for President Obama's proposed overhaul of the nation's healthcare system—would sharply reduce benefits for some senior citizens."

"Would sharply reduce benefits." So the Medicare cuts, as proposed by the majority, do, in fact, jeopardize seniors' benefits. The majority leader says we can amend the bill, and that is hypothetically correct, of course.

Let's see how many of our Democratic colleagues are willing to join Republicans in striking these Medicare cuts, the cuts I have just now been referring to. If we do not do that, then I will repeat what I have said before, which is that we should start over because it is clear this bill is not going to be fixed and starting over would mean taking some of the Republican suggestions.

Let me talk about one of these suggestions. My colleague from Florida was talking about the sorry state of real estate in his State of Florida, and I could have added my State of Arizona as well. I agree with much of what he had to say about that. But he also noted, with regard to health care, there is a subsidy in what those of us with private insurance pay because of the care that is given to others who cannot always pay for all of it. That is true.

I would add, there is also a subsidy for what we pay in insurance premiums because of the government programs, such as Medicare and Medicaid, which, likewise, do not pay for all the benefits they provide. In fact, they only pay doctors and hospitals somewhere in the

neighborhood of 70 to 80 percent of their cost, and we have to make up the difference in that in the private insurance premiums we pay. So increasing insurance premiums is, to a large degree, the fault of the U.S. Government, not the insurance companies.

The Democrats say the answer is yet another government program, and they even have a government insurance program in the legislation they have introduced. Their other answer is to write insurance policies. They actually specify in the bill what policies have to include. These are called government mandates. What is the effect of these proposals? Is this the right way to go or is there a better idea?

Again, the Congressional Budget Office, which the distinguished minority leader referred to a moment ago, in its most recent report said—and it said the same thing to the Finance Committee—the premiums for private insurance under this Democratic legislation will, what, go up. The average family is going to pay more in insurance premiums under this legislation, not less.

What was the whole idea here? The whole idea of health care reform was to reduce the cost of health care, to reduce our insurance premiums. They are skyrocketing. My colleagues on the other side of the aisle say: Small businesses cannot afford to buy insurance for their employees; my constituents cannot afford their health insurance premiums, which are increasing in price. All that is true. They are increasing. So what should we be doing? We should be lowering them, not raising them. This legislation, according to the Congressional Budget Office, increases insurance premiums.

What about the Republican alternative, the alternative that was presented in the House of Representatives by the House Republicans? That alternative, according to the Congressional Budget Office, reduces average insurance premiums by \$5,000 a year. So on the one hand, you have the Democratic proposal, which increases insurance premiums; on the other hand, you have the Republican proposal, which decreases premiums.

There is a study by a private consulting firm, Oliver Wyman, which breaks this down by State. The reason I am excited about this Republican idea is the average family in Arizona would see its premiums go down annually by over \$7,400. So think about that. On the one hand, you have insurance premiums going up, under the Democratic legislation; under the other, you have insurance premiums going down, on average, somewhere in the neighborhood of anywhere from \$3,300 to, in my State, up to \$7,400. I think the average is somewhere between \$3,000 and \$5,000.

The point is, you can cut insurance premiums with better ideas coming from Republicans, and I just ask my colleagues: Why wouldn't you do that as opposed to the complicated, costly,

government-run kind of program you are trying to institute under this legislation, which, according to CBO, would raise insurance premiums?

That is why the American people, by a significant margin, say: Do not pass this bill, why they appreciate it would raise their costs, it would reduce the quality of their health care, and why, therefore, my colleagues and I are going to try our best to persuade our Democratic colleagues to amend the bill. But if at the end of the day they are not willing to buy some of these good Republican ideas and instead insist on pushing right ahead with their legislation, at the end of the day, we will have to say: We are sorry, it does not appear this bill is going to be fixed and, therefore, we are going to follow the wishes of the American people and see to it that it does not pass.

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.

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

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

ORDER OF PROCEDURE

Mr. REID. Mr. President, the Senator from Minnesota is here. She has a brief statement to make. I ask unanimous consent that she be allowed to speak for 5 minutes and then we go to the bill.

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

The Senator from Minnesota.

DETENTION IN IRAN

Ms. KLOBUCHAR. Mr. President, I come to the floor to call attention to the situation of three citizens of the United States—Shane Bauer, Sarah Shourd, and Josh Fattal—who have been detained by the Government of Iran for nearly 4 months. One of these individuals, Shane Bauer, comes from my home State of Minnesota, and so the safe return of these three young Americans is of particular importance to me.

On July 31 of this year, Shane, Sarah, and Josh—who shared a common passion for travel and discovery—were on a hiking trip in a peaceful region in northern Iraq, when they reportedly accidentally strayed across the poorly marked border between Iraq and Iran and were surrounded by Iranian border guards.

Since then, Shane, Sarah, and Josh have been held in near isolation in a Tehran prison and have been allowed no contact with their families in the United States.

Despite repeated requests by the Swiss Government, which represents U.S. interests in Iran, the three have