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Senate

The Senate met at 10 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

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

Let us pray.

Sovereign God, Lord of the nations, You have magnified Your word above Your Name. As our lawmakers grapple with unyielding problems, give them the wisdom to turn to You for help. Lord, You have promised to supply all of our needs, so give our Senators what they need to meet the complex challenges of these days. May they take risks for the sake of truth and justice as they acknowledge with humility their need of Your abundant blessings. Bless them with a fresh regenerating touch of Your power.

We pray in Your strong Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND 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. INOUYE).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 6, 2011.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

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 I ask unanimous consent that the order for the quorum call be rescinded.

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

SCHEDULE

Mr. REID. Madam President, following any leader remarks, the Senate will resume the motion to proceed to S. 1323, which is a bill to express the sense of the Senate on shared sacrifice in resolving the budget deficit. The time until 12:30 today will be equally divided and controlled between the two leaders or their designees. The Senate will recess from 12:30 until 2:15 for our weekly party caucuses. The time from 2:15 until 6 p.m. is also equally divided and controlled between the two leaders or their designees.

Yesterday, I filed a cloture motion on a motion to proceed to S. 1323. This vote will occur tomorrow.

MEASURE PLACED ON THE CALENDAR—S. 1326

Mr. REID. S. 1326 is at the desk. It is due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title for a second time.

The legislative clerk read as follows:

A bill (S. 1326) to implement the President's request to increase the statutory limit on the public debt.

Mr. REID. Madam President, I object to any further proceedings with respect to this matter.

The ACTING PRESIDENT pro tempore. Objection having been heard, the bill will be placed on the calendar under rule XIV.

BUDGET NEGOTIATIONS

Mr. REID. Madam President, yesterday my distinguished Republican counterpart said the debate over how to avert the looming default crisis is really a debate over what kind of a country we are going to be. I agree. That is certainly true. So will we be the kind of country that protects tax breaks and giveaways for the richest people and corporations while sacrificing seniors and the middle class? That is the America my Republican colleagues have proposed, and those priorities are simply backwards.

Democrats, on the other hand, believe that in a nation where half the country's wealth is controlled by probably less than 1 percent of its people, perhaps that 1 percent should not be exempt from the sacrifices asked of everyone else. If these negotiations will determine what kind of nation we are going to be, they will also determine the character of the Republican Party as well.

Will they be the party who came to Washington to help govern, to craft solutions to the difficult issues facing this Nation in cooperation with patriots on both sides of the aisle or will they be the kind of single-issue, ideological party that walks away from reasonable compromise for the sake of politics? That is the question.

David Brooks, a conservative columnist for the New York Times, was

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

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hired for that reason, that usually liberal editorial page. They wanted someone who wrote well and was a certified conservative. David Brooks is who they chose. David Brooks believes it has obviously turned into an ideological party that walks away from reasonable compromise for the sake of politics. This is what he said yesterday—not me. Conservative columnist David Brooks said it yesterday, about the illogical and ideological Republican Party that has emerged.

Here is what he said:

> If the debt ceiling talks fail, independent voters will see that Democrats were willing to compromise but Republicans were not.

He said: If we default, it will be the fault of the ''Republican fanaticism.'' That fanaticism is making compromise impossible no matter how much Democrats are willing to give. Independent voters, Brooks says, ''will conclude that Republicans are not fit to govern. And they will be right.'' David Brooks, conservative columnist, said this. The Republican Party has been taken over by ideologues devoted to or terrified by Grover Norquist and his no-tax pledge. These Republicans refuse to believe countless respected voices that have said over and over how serious a crisis we face if we fail to avoid default.

They have refused a deal that Brooks called the ''mother of all no-brainers'' because it violates an arbitrary pledge. Never mind that the deal is in the best interest of the country and gives the Republicans much of what they say they want. They walked away from the table.

The statesman, Dean Acheson—and he was one of our great diplomats and, certainly, a statesman—said negotiating ''assumes parties more anxious to agree than to disagree.'' It is no wonder, then, that Republicans have refused to negotiate. They will not even admit to supporting their own long-held positions if Democrats also support those positions.

We should all be able to agree we need to reduce the deficit and get the fiscal house in order. Democrats and Republicans alike have said that. We should all be able to agree we need to avert the global economic disaster the American default would cause. Business leaders and economists alike have said that exact same thing.

We should all be able to agree millionaires and billionaires, oil companies and the owners of yachts and jets don't need special tax breaks the rest of Americans don't get. Yet Republicans have defended those tax breaks again and again. They claim Democrats want to raise taxes on shipbuilders and airplane manufacturers. That couldn't be further from the truth.

In fact, Democrats want to end special tax breaks for the millionaires and billionaires who are lucky enough to be able to afford private jets and yachts. We are happy that we stand in that way politically. These tax breaks aren't available to middle-class Americans. They can't write off the family station wagon or the rowboat they take fishing with the grandkids or the motor boat they go out with every week to see if they can catch a bass or trout. These breaks are available for multimillion-dollar toys that only a handful of Americans can afford.

I repeat: I am proud that Democrats are standing up for America's middle-class families instead of the richest of the rich. As my Republican colleagues defend tax breaks for special interests and the wealthiest 1 percent of Americans, I ask them again what kind of political party they want to be. They must ask themselves whether they want to be the kind of party that David Brooks, a conservative, described—a party of unreasonable fanatics who don't want to compromise, no matter how sweet the deal for their side might be and no matter how grave the consequences for our Nation if they don't agree.

RECOGNITION OF THE MINORITY LEADER

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

TREATMENT OF SOMALI TERRORIST

Mr. McCONNELL. Madam President, yesterday afternoon we learned that over the weekend a Somali terrorist who had been held and interrogated on a U.S. Navy ship for the past 2½ months has been flown to New York to face criminal charges in a civilian court—a Somali terrorist flown to New York to be tried in a civilian court.

I strongly disagree with this decision. Mr. Warsame is a foreign enemy combatant, and he should be treated as one. He should be sitting in a cell in Guantanamo Bay and eventually tried before a military commission.

Warsame is an admitted terrorist. In 2009, Warsame trained and fought with the militant Islamic group al-Shabaab in Somalia. Over the last 2 years, Warsame has provided support and training to al-Qaida in Yemen.

Since the day President Obama signed the Executive order to direct the closure of the military detention facility at Guantanamo Bay and end the Central Intelligence Agency's enhanced interrogation program, Senate Republicans have been asking the administration what would be done with an unlawful enemy combatant captured overseas in a place other than Iraq or Afghanistan. At one point, CIA Director Leon Panetta speculated that if Osama bin Laden had been captured alive, he would have been sent to Guantanamo. Over time, it became clear that the administration did not have a policy in place that could address this circumstance. So without a straight answer, we were left in the dark on how this administration would handle an enemy combatant captured overseas.

Finally, after waiting 18 months, I think we have our answer. As was disclosed yesterday, Warsame has been in military custody for months, during which time he has been interrogated by various law enforcement agencies. However, now he has been read his Miranda rights. This is a Somalian terrorist captured overseas who has now been read his Miranda rights. Why? Why? Why is a man who is a known terrorist and enemy of the United States being afforded the protections of an American citizen? Now he is in the hands of civilian authorities and will be given all the rights accorded to a U.S. citizen in a civilian court. It is truly astonishing that this administration is determined—determined—to give foreign fighters all the rights and privileges of U.S. citizens regardless of where they are captured.

In the case of Alwan and Hammadi, two enemy combatants who fought and killed U.S. soldiers in Iraq, they were captured in Bowling Green, KY, my State, and are now awaiting trial in a Bowling Green courtroom—a decision being summarily condemned by Kentuckians and most of their elected leaders from both parties at the State and Federal levels. And now Warsame, an enemy combatant with ties to al-Qaida who was captured overseas and detained by the military for months, is now inside the United States awaiting trial as a civilian criminal suspect. It is not necessary to bring or continue to harbor these terrorists within the United States. The infrastructure is already in place to handle these dangerous individuals at Guantanamo. However, it has become abundantly clear that the administration has no intention of utilizing Guantanamo unless an enemy combatant is already being held there. Instead, the administration has purposely imported a terrorist into the United States and is providing him all the rights of a U.S. citizen in court. This ideological rigidity being displayed by the administration is harming the national security of the United States of America.

Alwan, Hammadi, Warsame, and all future enemy combatants belong in Guantanamo. They do not deserve the same rights and privileges as American citizens. The administration's actions are inexplicable, create unnecessary risks here at home, and do nothing at all to increase the security of the United States.

BUDGET NEGOTIATIONS

Mr. McCONNELL. Madam President, yesterday I accepted the President's invitation to the White House to discuss what the two parties can do together to reduce our Nation's out-of-control deficit and debt, to create jobs, and to put the American economy back on solid footing.

As I have said for many months, the upcoming vote on the debt limit should be viewed as an opportunity to do something big that would send a clear

message to the American people and the world that we could come together and put our fiscal house in order.

It is notable that the President, who not that long ago preferred we raise the debt ceiling without any corresponding plan to do any of these things, now wants to discuss the need to do something about our crushing debt burden. Thursday's meeting will give us a chance to see if the President means what he says. It is an opportunity to see if the President is finally willing to agree on a serious plan to pay our bills without killing jobs in the process.

Until now, the President's proposals have been inadequate and, frankly, indefensible. It is ludicrous for the administration to propose raising hundreds of billions in taxes at a time when 14 million Americans are looking for work and job creators are struggling. Just last December, the President acknowledged that preventing a tax hike meant more resources were available for job creators to add employees. That was the President just last December in describing why he decided to extend the current tax rates for 2 more years—because, he said, it would be bad for job creators. That was just 6 months ago, and I do not think anybody thinks the economy is in better shape now than it was 6 months ago. Does the President now think the economy is doing so well, that unemployment is so low, and economic growth so rapid that we can take billions of dollars away from these very same job creators? That seems to be what he is saying now. It is equally ludicrous to propose more stimulus spending as part of a deficit reduction package. Republicans and, yes, some Democrats oppose these ideas because they will not solve the debt crisis and they certainly will not create any jobs.

Americans expect that in a negotiation about a debt crisis we would actually do something to significantly reduce the debt. And with so many still out of work, we expect the President to not insist on proposals his own administration says will put even more people in the unemployment line.

We are eager to meet with the President to see if he is really willing to do something big for the country. We do not think it is absolutist to oppose more stimulus spending. We do not think it is maximalist to oppose hundreds of billions of dollars in tax hikes in the middle of a job crisis. We have a better term for it: common sense.

We are ready to meet with the President on Thursday. Maybe he will have changed his mind and returned to his commonsense approach just back in December when he said that preventing tax hikes means ''freeing up other money to hire new workers.'' Hopefully, we can finally do something big to reduce the deficit, put people back to work, and prevent Medicare's bankruptcy. That should be our goal.

Madam President, I yield the floor.

RESERVATION OF LEADER TIME

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

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1323, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to the bill (S. 1323) to express the sense of the Senate on shared sacrifice in resolving the budget deficit.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12:30 p.m. will be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Georgia.

Mr. ISAKSON. Madam President, I rise this morning to talk about the meeting tomorrow the President has called at the White House—a summit, I think it has been referred to, one for which I have great hope. I hope it will be a summit where both sides leave their weapons at the door, sit across the table from one another, and begin talking about a comprehensive solution to a comprehensive problem. The solution to that problem, though, does not lie in creating villains and enemies. In the last 2 weeks, we have heard a lot of rhetoric coming from the White House demonizing people who have corporate jets or demonizing people who make over $1 million.

I was reminded in this debate about millionaires in the debate in 1969 in America. It was one of the first debates I ever watched. I had returned home from the service, I had begun my business, and a report came out in the newspaper that 155 Americans who made over $1 million paid zero taxes. I personally was astounded. Everybody else was astounded. Congress went to work to close the loophole, and they did it by creating something known as the alternative minimum tax—something to make sure someone who paid no tax at least paid ''their fair share,'' and I put that in quotes.

Today, it is not 155 millionaires who are paying the alternative minimum tax; 34,200,000 Americans are, because oftentimes when Congress goes to target one person, they catch everybody in a bigger loop.

I do not think we need to demonize those who employ Americans, those who create the jobs, those who make our economy run, any more than we should villainize people who want to try to save Social Security or Medicare.

The President in his two speeches last week targeted millionaires, he targeted job creators, he created villains, and he created enemies. None of that will help us to solve a problem.

Now, the President is not the only one playing that game. A little bit of criticism can go to both sides.

As we look at this chart that has been on the floor in the last 2 weeks about what has happened in the last 30 months since the President was elected as to critical things, unemployment is up by 1.9 million people—17 percent in terms of the rate—gas prices are almost double, and the Federal debt is up 35 percent. But, remember, it was $10 trillion when the President was elected, so it is not just the President's fault, but he is making it worse. Debt per person is now up by $11,258, and health insurance premiums are up by almost 20 percent. In fact, the only thing that is down in the last 30 months is the expectations of the American people—expectations of what our future is going to be like.

So for a moment I would like to offer some historical suggestions as to what both sides can do tomorrow at the White House, when they leave the weapons at the door, sit at the table, and really begin to negotiate.

One is to look back in history when we have had big problems and we came up with big solutions. The 1980s is a particular time. I was in the State legislature then. I followed what was happening in Washington. In fact, when I was 39 years old in 1983, Ronald Reagan and Tip O'Neill had a meeting at the White House. I was not there, but allegedly it went something like this:

The President said: Well, Social Security is going broke in about 20 years. We just got that report. We need to fix it.

O'Neill said: I agree.

The President said: I am willing to work on it, but I am not willing to raise the tax.

O'Neill said: Well, I am willing to work on it, but I don't want to cut the benefit.

They looked at the Actuary and said: What do we do?

The Actuary said: Well, you push the eligibility out, and you get the system back in actuarial soundness.

I was 39 in 1983. I would have been collecting Social Security at the age of 65 in 2010. But because Reagan and O'Neill got together, they pushed my eligibility out by 1 year to age 66, not age 65, and now incrementally it goes up 2 months a year to age 67 in a few years. That put the system in actuarial soundness for 67 years. The reason it is now all of a sudden in trouble again is the protracted economy, and these difficulties have caused people—baby boomers—to now go to the bank of Social Security and collect early Social Security at age 62. So we have had a rush to Social Security because of the unemployment and the uncertainty in our economy. But Reagan and O'Neill fixed Social Security by pushing the eligibility out. They did not raise the tax, but they did raise the ceiling upon which it was levied.

I think it is interesting politically—I note the President should understand

and all of us should recognize—the next year was 1984, and President Reagan won 49 of 50 States, a year after he fixed Social Security.

So I do not think we ought to demonize people for trying to solve the bigger problems of our debt and deficit. Everybody in this room knows you could cut every discretionary dollar out and you would still owe $300 billion in the deficit. The only way we are going to fix Social Security and Medicare is if we are going to fix the debt and deficit.

On Medicare, I was disappointed that when PAUL RYAN in the House came up with a forthright plan, he was immediately demonized. In fact, he was invited to the White House and criticized face to face at a conference the President had. That was just for trying.

It is about time all of us start trying, we start trying to find common ground, we start to look at our solutions in a comprehensive way. It is a time where we stop calling names and instead we start calling numbers, we start looking at what it is we can do within our control to put our spending back in line, amortize our debt over time to a reasonable amount, and reduce our deficit over time. It is not going to be fixed with one stroke of a pen or one single piece of legislation, but it is going to begin to be fixed when both sides sit down at the table and understand that this is the fourth quarter of the ''major super bowl'' of the future of the United States of America. Continuing to shoot each other and throw bricks and bats and create victims and create enemies and not talk about the real problems is just making it worse for all of us. It is time we made it better for the American people.

I spent the weekend with the American people who live in the State of Georgia celebrating our independence on the Fourth of July and spending some time with five of my nine grandchildren. I remember Saturday night watching my grandchildren play in the den, looking down at them. They were not looking at me. I was just watching them play, and I thought about their future. I thought about what their future was going to be like in a country that ran unlimited debt and deficits, that inflated its dollar, lowered its expectations, and was not the America I had been fortunate enough to live, work, and be born in.

Recognizing my age and my time, I know my future—the years I have left—is all about those children and those grandchildren. I want to be a part of the solution for the problem today but a part of their expectations for the future. I do not want them to look back and say: Granddad made it worse. I want them to look back and say: Granddad made it better.

Tomorrow is an opportunity for the President of the United States to lead. He has templates with which he can lead. He can either choose to take isolated enemies and isolated arrows and shoot them at people or he can, instead, look back at his deficit commission. His deficit commission, which I voted for, by the way—I was one of the Republicans who voted for the creation of the deficit commission—came back in December with a comprehensive recommendation that should have come to the floor for debate. It dealt with Social Security. It did not deal with Medicare. It dealt with the Tax Code. It dealt with spending. It dealt with expenditures. It lowered tax rates and raised opportunity. The President did not even let it come to the floor of the Congress of the United States. He looked the other way.

It is time we look straight in each other's eyes and say there are solutions out there that good people of good will can find a way to do, just as Ronald Reagan and Tip O'Neill did. But I do not want to be a part of making it worse. I want to be a part of making it better.

I hope those at the conference tomorrow sit down with that type of attitude—we do not create enemies and villains, we do not make it worse, but we begin a platform and a template where in the next 3 to 4 weeks we can begin to amortize our debt over time, reduce our deficit over time, raise the expectations of the American people, and cause a brighter future for our children and for our grandchildren.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. Madam President, I am going to speak to another issue first. But I want to thank my colleague from Georgia for his comments. We are in different political parties, but I listened to him and I know he is sincere. I think it is that spirit that can lead us to a solution. I hope we can find it. I will address the specifics of it later in my remarks.

TRYING WARSAME

But first I wish to address the comments made by the Republican Senate Minority Leader MCCONNELL. It relates to a front-page story across the United States this morning, where we have apprehended the man Ahmed Abduikadir Warsame, a Somali individual who is now being charged with terrorist crimes and going to be tried in the State of New York.

This man apparently was apprehended and held for several months on a naval vessel of the United States where he was interrogated about his involvement in terrorism and then they brought in prosecutors, criminal prosecutors from the United States, who interrogated him about what they thought would be actionable crimes that could be prosecuted in the United States.

He is now being brought to New York for a trial. The statement made by Senator MCCONNELL this morning on the floor of the Senate suggests that this was a bad decision on the part of our President and the Department of Justice to try this man in the criminal courts of the United States.

Senator MCCONNELL has made this speech many times before. He believes that trying terrorists in the courts of the United States makes America less safe, and it less likely that we could convict them. He argues they should be held at Guantanamo and tried in military tribunals. His argument has some surface appeal unless you know the facts.

The facts are that under President Bush after 9/11 and under President Obama, more than 400 suspected terrorists have been tried in the criminal courts of America, article III constitutional courts, and convicted. They have been tried in our courts and convicted. They are serving time in the prisons of the United States of America. That is right: convicted terrorists, convicted in criminal courts, now serving time in prisons across America, including in my home State of Illinois at the Marion Federal Penitentiary.

So to argue that we cannot successfully convict a terrorist in the United States, as Senator MCCONNELL did this morning, is to ignore reality. The reality is that President Bush used his Department of Justice and our courts to successfully prosecute terrorists. During the period of time since 9/11, only around 5 accused terrorists were tried in military tribunals—400 in article III criminal courts, 5 in military tribunals.

Senator MCCONNELL makes the argument—and others have joined him—that the only place to try them is in military tribunals. The fact of the matter is, we do not have a very good record in military tribunals trying would-be terrorists. There is a variety of reasons for it. The Supreme Court did not agree with our procedures. Some of the cases were not very good. The bottom line, though, is to say to any President, whether it is Republican George Bush or Democrat Barack Obama, Congress is going to tell you the best place to try a terrorist—do we have that expertise? I do not. I am not sure Senator MCCONNELL does. I think it is up to the President, the Secretary of Defense, the Central Intelligence Agency, and the Attorney General to make that call.

Take the would-be terrorist to the court where we are most likely to convict. Take him to a tribunal where they are going to get a fair hearing in the eyes of the world, and conviction is most likely. That is what I think the American people want.

To come here and second guess the President because he has held a man for 2 months in military interrogation and now is being prosecuted in our criminal courts is totally unfair, unfair because the same standard was not applied to the Republican President who tried hundreds of would-be terrorists—accused terrorists—in our criminal courts successfully. That is a fact. That should be on the record.

I meant what I said about Senator ISAKSON of Georgia. He is a Republican, I am a Democrat. He is my friend. I

like him. We do not agree on everything. Our voting records are much different. But what he had to say this morning was the right thing. And what he had to say this morning, I think, should open the eyes of America about where we need to go.

Yesterday, the President sat down and said, we need to be serious about deficit reduction. We do not need a mini deal, we need something that speaks authoritatively to the world that the United States understands its deficit challenge and is prepared to make the hard choices to address it. I think the President is right.

I was interviewed this morning by a Quincy, IL, radio station. They said: Well, why would not you take a mini deal and get it over with? Well, if you think you will take a mini deal, you will probably be offered a mini, mini deal. At the end of the day, little or nothing will happen. Here is the problem we face. It is a real problem. For every dollar we spend in Washington, we borrow 40 cents. We borrow it from countries all around the world. The No. 1 creditor of the United States is China. China loans us money so that we can spend for government purposes.

How do we spend the money? Well, if you look at Federal employees, more than half of the Federal employees in the United States of America work for one department, the Department of Defense. If you look at expenditures, some of the fastest growing sections of our budget have been on the military side as we wage wars in Iraq and Afghanistan, and participate in the NATO exercise in Libya.

That is a pretty expensive undertaking. We know that that has gone up 84 percent—military spending in the last 10 years, gone up 84 percent. We know at the same period of time that spending on mandatory programs, such as Social Security, Medicare, Medicaid, agriculture payments, veterans payments, spending for those payments over the last 10 years has gone up 32 percent.

We know that the rest of the budget, the so-called domestic discretionary spending, which would include things such as building highways, keeping Federal prisons open, providing Pell grants to college students, giving children from poor families early childhood education, putting money at the National Institutes of Health for medical research, that is one section of the budget—it comprises 12 percent of our budget—and in the last 10 years, that part of our budget has gone up zero percent; no increase in spending in that section.

Most of our spending goes into the military—84 percent increase over 10 years—and mandatory programs—32 percent over 10 years. The biggest driver, in terms of Federal spending, the thing we cannot seem to get hold of, is health care costs. And you know that as an individual, whether you are trying to buy health insurance for your family, run a small business and trying to cover the owners and workers, or look at it from a State and local viewpoint when it comes to public employees.

I could analyze the health care system, I do know about it. But I will tell you that it is a model that is unsustainable. You cannot watch the cost of health care go up beyond inflation every single year and expect to control deficits, whether it is your family deficit, your city deficit, or your national deficit. But that is the reality of where we are today as we face the current situation.

I listened as the Senator from Georgia, whom I respect very much, talk about what President Obama inherited. I wish to add a little perspective to it. The last time the Federal Government balanced the budget, ran a surplus, was in the final 2 years of the Clinton administration, William Jefferson Clinton, Democratic President of the United States.

We generated a surplus in those years; that is, we collected more money in taxes and revenue than we paid out. That had not happened for decades. At that point, as William Jefferson Clinton left office as President, the national debt of America, the accumulated net national debt of America from George Washington through William Jefferson Clinton was $5 trillion—$5 trillion, and we had a surplus in our annual budget. When President George W. Bush took over and President Clinton handed him the keys to the White House, he said: Next year, if you follow my budget, you will have a $120 billion surplus.

That is what President George W. Bush inherited: $5 trillion national debt, a government running a surplus of $120 billion in the next year.

Fast forward 8 years later. At the end of President George W. Bush's 8 years in office, let's take a snapshot. What did it look like then? The national debt was no longer $5 trillion 8 years later, it was almost $11 trillion. It more than doubled in an 8-year period of time. And, when President Obama took office, instead of being handed a budget for the next year with a $120 billion surplus, as President Bush was handed by President Clinton, President Obama was given a budget and he said: Next year, if you follow our budget you will have a $1.2 trillion deficit, 10 times the amount that President Bush had in surplus. President Obama was told: You will have that in deficit. You will owe that much. The books do not balance.

What happened in 8 years? Well, several things happened. First, we waged two wars in Iraq and Afghanistan and we did not pay for them. I think back in my history, and I can remember as a kid that every birthday I would receive a savings bond, U.S. savings bond. I used to think it was interesting. They would hand me these $25 U.S. savings bonds, and I knew they cost $18.75. But if I did not do anything with them and held onto them for almost 10 years, they would be worth $25. So Grandma and Grandpa would give me the $25 savings bond—I would think it is only $18.75, and I stuck it away. You know. The reason I bring it up is those savings bonds were the way we financed wars. Americans sacrificed and loaned money to their government, and they bought savings bonds.

It was my family tradition. It was a tradition of America. But when it came to the two most recent wars, in Iraq and Afghanistan, that did not happen. We borrowed the money from other countries. So during that 8-year period of time, under President Bush, we waged two wars and borrowed the money and added it to the national debt.

We did something else. No President in the history of the United States of America ever has cut taxes in the midst of a war. You know why? Because you have your ordinary budget of government. You have got to pay for it. Now you have got a new expenditure, with hundreds of thousands of troops in the field, and families saying, keep them safe and bring them home, and you are spending billions of dollars there. How could you cut taxes?

That is what happened. During the Bush administration, they cut taxes. Two wars unpaid for, cut taxes, and then President Bush signed into law programs—dramatically expensive programs that were not paid for. Medicare prescription Part D was one of them. So you had these programs signed into law, wars not paid for, taxes cut, and, at the end of an 8-year period of time, the national debt rose from $5 trillion to over $10 trillion, almost $11 trillion.

The Republican Party has a philosophy, the Democratic Party has a philosophy. There are those of us who think that sometimes we should listen to one another and try to learn from one another. I think this is one of those occasions. But I will say to my friends on the Republican side of the aisle in the Senate and the Republican leaders in the House, those who are arguing that the best way to get the American economy moving forward at this point is to give tax cuts to the wealthiest people in America, they have forgotten their history. That is exactly what we did under President George W. Bush, and look what happened—the biggest deficits in the history of the United States. When Barack Obama raised his hand off of that Lincoln Bible, taking the oath of office, that month we lost 700,000 jobs in America. Unemployment was running rampant and kept going.

Using the Republican economic theory of tax cuts for the wealthiest people in America—it did not work then. It will not work now. It is a tired old idea. It may give them points in opinion polls. It does not give America points and credibility around the world. It is a position they are taking.

Having said that, I guess I could stop here and they would say: DURBIN, that was a heck of a Democratic speech.

Let me go a little further. I was on the deficit commission. I sat there for 10 months and listened to everything. It was split, Democrats and Republicans, and the President appointed the commission. There were Democratic and Republican Senators, and the same thing with House Members. I came to the conclusion that there were some positions the Republicans had taken that were wrong, and there were positions that Democrats had taken that were also wrong. It was time for us to try to do something smart and do it bipartisanly. I voted for the deficit commission; 11 out of 18 of us did. I think I surprised more people than I ever imagined. But I think it was the right thing to do.

The morning I voted for it, my son, who happens to live in Brooklyn, in the Presiding Officer's State, sent me an e-mail saying: Thanks, Dad, you are doing the right thing. Well, every dad wants to hear that once in a while. I said that at this commission meeting. It meant a lot to me that my son, whom I greatly love, would have that kind of respect for that kind of decision.

Here is what we did and what we need to do now. Here is what we need to say to the American people: We can get out of this mess. America is a good, strong nation. We are good people, smart, hard working, and we have a great tradition when it comes to dealing with challenges, whether it is waging wars, or fighting recessions, or putting a man on the Moon. We can do it. We have done it, and we will do it again. Start with that premise. Don't badmouth this country, because we are blessed to be living here. This country and its history have proven over and over again that it can tackle the biggest challenges and meet them head on. Do you know who wins this battle? It is average Americans—those who have waged our wars, who were the soldiers and went off to war, my brothers in the Korean war, and others, regular old families who said it is our patriotic duty and we will serve. They continue to do it time and again.

When it comes to sacrifice, Americans know that spirit as well—not only the can-do spirit, but the spirit of, sure, my brothers each gave 4 years of their lives to the U.S. Navy, and so many others did. It says that Americans are willing to step up and participate in a national effort. When they think we are all together as a nation moving in the right direction, they want to be part of it, I want to be part of it, America wants to be part of it. When we talk about solutions to problems, we talk about everybody rolling up their sleeves and getting involved.

I know the poorest of the poor can't. They don't have the resources, or they may not have the physical or mental ability, whatever their circumstance, and I am ready to help the most vulnerable people. Asking them to sacrifice and pitch in is maybe too much in some circumstances. The rest of us should pitch in.

Here is what we ought to do. First, we should not say that anybody in America who is wealthy and comfortable in life is going to be spared in sacrifice. Everybody has to give. Those who are better off than some should give more. I don't think that is unfair. Life has been good to them; America has been good to them. When we need them, they should be asked to help. So the notion of raising taxes on the wealthiest people should not be something we automatically reject. It should be part of the conversation.

Second, we have a Tax Code that you could not carry with two arms because it is so big, loaded with laws and regulations and, frankly, most people don't know what is in it. I will tell you the people who do know: the special-interest lobbyists in Washington, the tax lawyers, and some people in congressional committees. In there, you will find that we spend almost $1.2 trillion in tax expenditures. Most people don't understand that. I learned a little about it in the deficit commission; $1.2 trillion in tax expenditures in the Tax Code equals all the credits, all the deductions, all the exclusions, and everything that you can take to reduce your tax burden. And $1.2 trillion also represents the entire amount of discretionary spending each year in the United States. It is a big sum of money. So we spend it in our expenditure levels, from the Defense Department all the way through the Agriculture Department, and everything in between; and we forgive, or don't collect, the same amount in the Tax Code.

Who benefits from that? Let's look at the basics. Seventy percent of the American taxpayers do not itemize on their tax returns. They file a standard return. So the Tax Code doesn't mean anything to them. If there is a special deduction, unless it is a refundable tax credit—a rare category—it doesn't help them. Seventy percent of Americans don't touch it. What are the biggest deductions under the U.S. Tax Code today? In all my wisdom and education and experience on Capitol Hill, I said it is the mortgage interest deduction, right? Wrong. The biggest single deduction is the employers' exclusion for health care premiums. Employers are able to exclude from income the amount of money they spend for health insurance for their employees. No. 2 is the mortgage interest deduction. I use it. My wife and I bought our home and thought about it ahead of time. OK, we have mortgage interest deduction, maybe we can buy a little more home. A lot of families do. When you look at the mortgage interest deduction and realize that 70 percent of Americans don't itemize, look at the 30 percent who do, it turns out that mortgage interest deduction—the lion's share of that money goes to the very highest income categories in America. So that comes as a surprise. Do you think it is a middle class tax cut? It is not. It is, by and large, a tax cut for wealthy people.

I want to preserve that part that protects middle-income families. But, again, shouldn't those in the highest income categories be willing to see a change in that deduction if it means America's deficit is going to be finally brought under control?

When we look at the Tax Code, we need to be honest about it. There are things in there we cannot afford to do any longer—things that maybe we never should have done. We can clean up that Tax Code. What we found in the deficit commission is that by cleaning it up, we could actually produce enough revenue to lower marginal tax rates. I hope my Republican friends tune in at this point. They applaud this, and I do too. If we can lower marginal tax rates for families—even businesses in America—that is a good thing; I am for it. But it means being honest and tackling the Tax Code.

The other thing we have to look at is entitlements. This is where it gets dicey on my side. I like PAUL RYAN. Congressman PAUL RYAN is from the Midwest, and maybe I am partial as a result. He is from Janesville, WI. He studied this issue and knows it well. We come to different conclusions, but he did tackle the entitlements. I think he went too far with Medicare. Doubling the out-of-pocket expenses for people under Medicare is a nonstarter. Eliminating Medicare as we know it and putting these folks in the ''loving arms'' of health insurance companies in their sixties and seventies is not any kind of favor for the elderly in America. So I disagreed with his conclusions. I would not vote for that. In fact, I voted against him.

I don't disagree with PAUL RYAN saying that we have to look honestly at Medicare. If we don't do that, in 10 or 12 years it will go broke. We cannot let that happen. So we have to look at Medicare in a sensible way to reduce the costs of Medicare.

Let me give one example. In the Medicare prescription Part D Program, prescription drugs for seniors, I think Medicare ought to offer an option. The government ought to have an option that people can choose voluntarily, one way or the other, to try to buy pharmaceutical drugs in bulk, reducing their costs, so that seniors pay less. Is that a radical concept? No. It is exactly what we do in the Veterans' Administration. We can do it under Medicare prescription Part D, reducing that program and the costs to seniors, and create as part of the spectrum of competition a Medicare prescription program—one people can opt into if they want to. So there are ways to save money in Medicare without endangering basic benefits.

Here is the last thing I will say. I see my colleague from Louisiana here. I don't want to keep him waiting. Tomorrow, I will be honored to be invited to the White House with Senator REID to meet with the President and the leadership in the House and Senate—Democrats and Republicans. The President said: Leave your ultimatums at

the door. That is good advice. He understands that if we don't extend the debt ceiling by August 2, it will have a dramatic negative impact on the American economy. It is as if you would default on your mortgage—same result. Our creditors around the world will say: Oh, America is not going to pay its bills on time, so maybe we won't loan them money. Maybe if we loan them money, we will raise the interest rate. If they raise the interest rate on our government, they will raise the interest rates across our economy, whether you are borrowing for a home, a car, or whatever it is. It would be the height of irresponsibility for us to default on America's debt. That debt ceiling needs to be extended so that interest rates don't go up, because if they do, it will hurt our economic recovery and put more Americans out of work.

The template for our meeting tomorrow should be the President's deficit commission. I will only take exception to one thing Senator ISAKSON said earlier. He said that the President did not let it come to the floor for a vote—his deficit commission. In fairness to Senator ISAKSON, that wasn't the President's responsibility. It is our responsibility to bring it to the floor for a vote. I have been trying for 6 months now, with a handful of other colleagues—Democrats and Republicans—to bring this to the floor so that we would have a vote on it. I will keep on trying, as we should. I think it remains the best way to approach the deficit challenge. Let's put everything on the table. Look to the deficit commission, the Simpson-Bowles commission, which gave us guidance as to how to get out of this. If we do get it done—and we can do this—I think it is going to inspire people around the world to believe again in America's future as an economy, to invest in America, and we will create jobs. It is going to be like the turnaround that occurred when Bill Clinton came to office and said, ''I am taking the deficit seriously,'' and he passed the deficit reduction plan by one vote in the House—I was there—and by one vote in the Senate when Vice President Al Gore cast the deciding vote. Look what happened to the economy. There was a dramatic increase in business ownership, business creation, and home ownership.

That, to me, can happen again if we come up with a bipartisan, sensible, inclusive budget deficit plan of the magnitude the President called for yesterday.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. VITTER. Madam President, will the Chair inform me when I have consumed 12 minutes?

The ACTING PRESIDENT pro tempore. Yes.

Mr. VITTER. Madam President, first, I rise to celebrate that we are finally, after months and months of doing everything under the Sun but facing our gravest challenge, which is spending and debt, focused on that on the floor of the Senate. That is progress. We have a long way to go, but at least that is progress.

For months, I have been urging us as a body, urging the majority leader, who controls the floor, please, let's focus on our gravest challenge, Federal spending and debt, and not wait until the eleventh hour, not wait for a crisis atmosphere. Let's put on the floor meaningful legislation about spending and debt.

For months and months, unfortunately, we did everything but that on the floor of the Senate. The majority leader looked for every bill and every topic but that, and it was all sorts of cats and dogs—many of them, quite frankly, trivial, unnecessary legislation, particularly compared to this grave challenge of spending and debt.

Finally, last week, a group of conservatives here said enough is enough. We should not go out on our planned July 4 recess, which was scheduled to be all of this week. We said we are going to block that. It takes unanimous consent for that to happen. We said we would block it and, sure enough, we did. We said, wait a minute, we are not blocking that just to be here. We are not blocking that to be here and continue to move on to every other issue under the Sun but spending and debt. We did that to finally focus on the floor of the Senate on the gravest of all of our current challenges—Federal spending and debt.

We said we are going to vote against the motion to proceed to the Libya debate. Libya is an important matter. In fact, that debate is long overdue in Congress. Those votes are long overdue. But that challenge does not rise to the level of our greatest fundamental challenge right now as a nation, which is spending and debt. We said we are going to block that motion to proceed to yet another unrelated matter, and we did. We rounded up the votes in the last half week and got those necessary votes to block that motion to proceed. As a result, the distinguished majority leader pulled that vote, he vitiated that cloture vote yesterday.

Finally, we have an instrument on the Senate floor—a motion—about this central challenge we face, spending and debt. So that is progress. I urge all of my colleagues to come down and join this most important debate. I continue to urge the majority leader to put meaningful, substantive legislation on the floor about this topic. We have motions on sense-of-the-Senate resolutions. It focuses us on the proper topic, spending and debt. That is progress.

But, of course, a sense-of-the-Senate resolution does not do anything or change anything. We still have further to go in terms of bringing meaningful legislation to the floor, our gravest challenge, Federal spending and debt.

Why do I insist this is our top challenge at hand? The facts speak for themselves. Of every $1 the Federal Government spends—of every $1—over 40 cents is borrowed money—over 40 cents of every $1. Imagine if we ran our household that way. It wouldn't take long for one to hit a financial dead end and virtual bankruptcy—if out of every $1 our family was spending, 40 cents of it was borrowed money.

What does that mean? It means we are collecting, as a nation—as a Federal Government—about $2.2 trillion a year. That is a lot of money, $2.2 trillion. The problem is we are spending $3.7 trillion—way, way, way more than we are collecting.

The distinguished majority whip mentioned entitlement spending, and I agree with him that is a big part of the issue which we must face in a careful, substantive way because Medicare is one of those big entitlement programs. It, too, is on an unsustainable path. The average American pays about $110,000 into Medicare over his or her lifetime—a lot of money—but, on average, that average American receives in benefits over $430,000 under Medicare. There again, it is not tough to do the math. That is unsustainable, when the average American pays in $110,000 and receives in benefits over $300,000.

Social Security is another huge entitlement program. This year, it is taking in less than it is spending on current retirees. That day of reckoning was going to be several years down the road, but it has been accelerated. It is here now—right now. Social Security is taking in, in tax revenue, less than it is paying out in benefits to retirees.

What does this mean? This adds up and up and up. So we have more new debt under this administration—more new debt under President Obama—than the debt compiled under all the previous Presidents combined, from the first George Bush to the latest George, George W. Bush. We have more new debt under this President than the debt accumulated from all those previous Presidents combined. We must do something, and we must do something about the real problem, spending and debt.

Washington, in a bipartisan way, has a spending problem. The fundamental problem isn't that we are undertaxed. We all know that, no matter what station in life we come from. The fundamental problem is, Washington doesn't live within its means, such as we as families do as we sit around our kitchen tables and look at our budgets. Washington has a fundamental spending and debt problem, and we need real solutions—rigorous, disciplined solutions—to get that under control.

How do we go about that? To me, it comes down to three important things: cut, cap, and balance—cut, cap, and balance. Cut: We need to cut the budget now. We need to cut the budget this year and next year. We need immediate meaningful cuts. That is why I support those immediate meaningful cuts in the Federal budget. We can't put off meaningful cuts for 1 year or 5 years or 10 years. We need them right now.

A few weeks ago, we had some budget proposals on the floor. We had several

Republican proposals and we had President Obama's proposed budget. The Obama budget didn't cut in a meaningful way. In fact, it doubled the debt in 5 years and tripled the debt in 10. On the Republican side, we had three different alternatives, all of which cut the budget in a meaningful way, and I voted for all three. We need to start now, today, with cuts.

But that is not enough. That is short term. We need immediate cuts, we need medium-term caps, and we need balance. So let's discuss caps. What do I mean by a cap? I mean we need established spending caps in each major category of the budget that takes some sort of extraordinary supermajority in the Congress to supercede. We need a glidepath to actually get through those caps to a balanced budget in a reasonable period of time.

There are several proposals in this body. There are several proposals in the House, mostly from the Republican, conservative side—virtually all of them—to establish those caps, to get us on that disciplined mandatory path so we reach that balanced budget.

Third, and finally, balance: The goal needs to be a balanced budget, and it can't be a goal generations off. It can't be a goal decades off. It needs to be a goal within our sight. The only way, ultimately, I believe, we can absolutely ensure that is through a constitutional amendment to balance the budget.

I am very proud to be a coauthor, along with all my Republican colleagues—every single one of us—of a strong, meaningful, substantive balanced budget constitutional amendment. This has been debated in this body and the House for some time. The last time it was voted on, on the floor of the Senate, it came within one vote of passing. We need to have this ultimate protection and straitjacket and enforced discipline to say we are getting to a balanced budget, we are going to stay there, and we are not going to get in this state again.

Virtually every State in the country has such a balanced budget constitutional amendment under their State constitution, and that enforced discipline works. That straitjacket at the State level works. It works in my State of Louisiana. We have such a provision in our State constitution which says we can't have a State budget which is out of balance. That mandate, that requirement for a balanced budget works. Every year, the legislature, working with the Governor, produces a balanced budget. If they go out of session and 1 month later revenues fall and the budget goes out of balance, they have to come back in within a set period of time and they have to rebalance that budget. It is not fun. It is not easy. It has been particularly difficult in this horrible economy for the last several years, but because of that mandate, because of that constitutional provision, it gets done. That is what we need at the Federal level. We need a balanced budget constitutional amendment.

So I repeat: cut, cap, and balance. It is an important formula. It is simple but substantive and it will get us where we need to be.

The ACTING PRESIDENT pro tempore. The Senator has consumed 12 minutes.

Mr. VITTER. I thank the Chair.

I urge all my colleagues, Democrats and Republicans, to come together and continue this debate and move it to the next level.

As I said when I began, the first thing I wish to do is recognize and celebrate progress because, after months of resistance from the distinguished majority leader, we are finally on the Senate floor actually talking about our most pressing challenge, spending and debt. But it is a sense-of-the-Senate resolution. It is a procedural motion.

Let's get to the real substance by having meaningful legislation—cut, cap, and balance legislation—on the floor of the Senate, open to amendments and open to wide-ranging debate. That is the history and tradition of the Senate. Unfortunately, it hasn't been the practice of the Senate all that much in recent years, but we are trying to get back to that. So let's put that meaningful, substantive legislation about spending and debt on the floor of the Senate, have that debate, have amendments, and have a free flow of ideas.

Cut, cap, and balance—we can get there. We can do the work of the American people. We can rein in this runaway Federal spending and debt, and we must. We must do it now. Because if we fail to meet this challenge this year—if we fail to meet this challenge this year—I believe there are going to be dire consequences for our economy and for all American families as a result.

Having this topic on the floor of the Senate is a start, but it is only a start. Let's build on this, put substantive legislation on the floor about spending and debt, and act on that meaningful, substantive legislation.

I yield the floor.

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

Mr. SCHUMER. Madam President, before I begin on my time, I would like to ask my colleague from Louisiana if he would answer a question.

Mr. VITTER. I would be happy to.

Mr. SCHUMER. I thank my colleague.

My colleague is right. We should move on this, this year. We certainly agree with that. Of course, the balanced budget amendment wouldn't take effect for years to come. But my colleague just voted for the Ryan budget, which actually increased the deficit. Not only did it not move deficit numbers down, but it increased the deficit. So how can he reconcile all this nice, grandiose talk about a balanced budget amendment with voting for a budget that actually increased the deficit?

Mr. VITTER. Well, first of all, I voted for that budget as well as the Toomey budget. The Toomey budget, which was my first choice and preference, balances the budget in 10 years. That would be my first choice.

The Ryan budget gets us way down the path compared to anything else proposed on the Democratic side, such as the President's budget, which on the Senate floor actually got 0 votes out of 100. So while the Ryan budget is not my first choice, it is a dramatic improvement on the path we are currently on.

Mr. SCHUMER. I would note, for my colleague—reclaiming my time—the Ryan budget is not a dramatic step in that direction. The Ryan budget, as I understand it, does not do a thing in the first decade to reduce the deficit. It cuts a lot of spending, but it also cuts taxes and it raises defense spending.

Mr. VITTER. If I may respond, through the Chair.

Mr. SCHUMER. Please.

Mr. VITTER. That is not true. It reduces the deficit. It doesn't balance the budget within the 10-year window, which is my strong preference—the Toomey budget does do that—but it gets us going in the right direction. It reduces the deficit, and it is a particularly dramatic improvement over anything proposed by this administration.

I thank my colleague.

Mr. SCHUMER. I thank my colleague.

I would say it is time to walk the walk, not talk the talk. Whenever folks refuse to step to the plate to actually balance the budget—the last President to do so being Bill Clinton—they start talking about a way distant, future balanced budget amendment. This balanced budget amendment they talk about is not going to solve our problem in the next 5 years. We have to get to work right now, and that is what we are trying to do on this side, with a fair and balanced approach.

The balanced budget amendment my colleague speaks about would, if we look at the amounts—18 percent GDP—cut deeper than the Ryan budget. It would end Medicare as we know it. It would mean things we take for granted, such as food safety inspectors and flight inspectors, would have to be cut, and then it makes it impossible to close tax loopholes for millionaires and billionaires. It is not a balanced budget amendment; it is an unbalanced budget amendment because it simply reflects an ideological view that my good colleague and friend from Louisiana has but does not reflect the views of either a majority of this Chamber or certainly the American people.

So let's walk the walk. Let's not just talk the talk. I think that is very important to note. Cutting spending, which is done in the Ryan budget, is not going to work in terms of balancing the budget. It just can't, unless we decimate programs, such as Medicare, without revenues.

That is what I am here to talk about today. I rise today in support of the sense of the Senate on shared sacrifice.

The clock is ticking. Time is running short to reach a deal on reducing the deficit and raising the debt ceiling. We are walking the walk and not simply talking the talk about some ephemeral balanced budget amendment that is unbalanced and will not pass.

Yesterday, the President said we needed to reach a deal within 2 weeks in order to avoid roiling the financial markets. Democrats are working in good faith, identifying spending cuts and tax loopholes to close. And what are our Republican colleagues doing?

Well, since stalking out of the negotiations 2 weeks ago, they are now sticking to their blind ideology and playing political games, such as inviting the President to come to the Capitol, when they know he can't, to deliver a message he has already heard. The Republican leader has continued to insist that we can't raise a single dollar in revenue, no matter how wasteful the tax break or how generous the substance.

Madam President, here is what it is coming down to. In the home stretch of negotiations, our Republican colleagues seem to be willing to tank the economy rather than end a single tax subsidy. Democrats are committed to reducing the deficit and getting our Nation back on a sensible fiscal track, but we know everyone must pay their fair share. We know there has to be compromise to get things done. We can't just draw a line in the sand and say: My way or no way; it will lead to fiscal Armageddon.

So over the past several weeks, we have offered a number of wasteful tax breaks that should be ended as part of the debt ceiling deal: ending subsidies for the oil and gas industry making record profits; the ethanol industry, which 36 Members on the floor, including the majority leader, supported, to their credit, and corporate jet owners, will save us tens of billions of dollars.

Now, paradoxically, our Republican colleagues are now arguing that tax breaks for oil companies and corporate jet owners are too small to consider ending. They have argued that because they will only save taxpayers tens of billions of dollars. They say that is not enough and so we shouldn't be discussing them now.

Well, I disagree. Tens of billions of dollars that we can save on wasteful subsidies are certainly worth pursuing.

But let's turn our attention to the matter at hand, one of the biggest of all taxpayer giveaways that Democrats are trying to end: tax breaks for millionaires and billionaires.

I rise today in strong support of the Senate resolution that says, simply, instead of ending Medicare as we know it, instead of cutting college scholarships and cancer research, instead of balancing the budget solely on the backs of the middle class, let's end some breaks. Let's end tax breaks for millionaires and billionaires.

Let me repeat that because that is the essence of our dispute, of our disagreement. You can't varnish it any other way. I know the other side tries to say we are raising taxes, trying to imply that we want to do it on middle-class people. We don't. We are not going to touch a person whose income is below $250,000. Some of us would even go higher, $500,000, $1 million. But every one of us on this side says: If you are a millionaire, you should share some of the sacrifice. The other side resists, and then they try to hide by saying it is raising taxes. It is not raising taxes on average folks. It is not raising taxes at all. It is simply going back to the level under Bill Clinton where we had record prosperity, record jobs, and record income growth for the highest end people as well as for middle-class people who got income growth as well.

So let me repeat the nub of this and why we have this resolution on the Senate floor. Here is what it says: Instead of ending Medicare as we know it, instead of cutting college scholarships and cancer research, instead of balancing the budget on the backs of the middle class, let's end tax breaks for millionaires and billionaires. This would save over $100 billion a year and hundreds and hundreds of billions in the long run. It is not just a small amount.

I ask my Republican colleagues, is that savings significant enough to at least merit discussion and not just take it off the table?

The GOP budget would end Medicare as we know it to give hundreds of billions of dollars in tax breaks to the wealthiest Americans. The resolution says, simply: Don't let that happen.

Let me say this: I respect people who have made a lot of money. There are many of them in my State. They work hard. God bless them. But many of them, when you talk to them, are the first to say they should share in the sacrifice. There are some who would say no, but I don't think they represent mainstream America or mainstream American opinion.

In normal times this would be a consensus opinion, the fact that we shouldn't end Medicare as we know it to give hundreds of billions of dollars in tax breaks to the richest Americans. In normal times that would be a consensus position.

Republican Presidents and political leaders have long supported raising revenue combined with cutting spending to reduce deficits. Ronald Reagan, for instance, because he wanted to shrink government, but he was fiscally responsible. But the Republican Party has been dragged so far to the right by an ideological fringe that they now see this balanced approach as an extreme position.

What it comes down to is this: Would Republicans rather end Medicare than end tax breaks for billionaires? It is a simple choice, and this resolution will make the answer to that question clear.

Again, will Republicans do anything, even risk default, to protect tax breaks on the highest income people, millionaires and billionaires? And would they rather end Medicare and solely rely on cuts that hurt the middle class than admit that some tax subsidies, such as those for big oil companies and corporate jet owners, are a waste of taxpayer dollars? Well, Madam President, we will soon find out.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Indiana.

Mr. COATS. Madam President, I ask unanimous consent to speak to the Chamber for not to exceed 20 minutes.

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

Mr. COATS. I don't anticipate taking 20 minutes of time. I hope to be back on the Senate floor this afternoon talking about a related subject, but I do want to take the opportunity essentially to bring us back to the central problem we are facing in this Chamber and in this country; that is, dealing with an out-of-control spending program in Washington, DC, that has occurred over many years.

In fact, the accumulation of debt not only is at the federal level, but it has been at the State level. It has been at the local level. It has been at the personal and the private level. We have been in a cycle of debt accumulation that simply is coming to an end, and it is coming to an end because we can no longer afford to pay the interest and can no longer afford to fulfill the promises that have been made on a political basis to people over a whole series of years, both by Democrats and Republicans, and only accelerated in a dramatic fashion in the last 3 years where we have seen an explosion of spending at the Federal level. This simply cannot continue and be paid for under any system of taxation at all.

So what we have seen is a nice deflection away from the central issue, a deflection into—well, the whole thing comes down to whether we tax millionaires and billionaires. The President's speech last week, which set the stage for all this discussion, is a nice deflection away from what we all know we need to do. And what we need to do is address this out-of-control deficit, out-of-control accumulation of debt that is simply unsustainable.

Now, it is pure arithmetic and it is easy arithmetic. When we spend $3.7 trillion a year, and revenues coming in are only $2.2 trillion a year, we are racking up, on a year-by-year basis, a deficit of $1.5 trillion or greater a year. And that deficit has to be paid. How is it paid? Well, 40 cents of every dollar that is spent has to be borrowed in order to pay for the promises that have been made.

So until we as a body put aside this ''gotcha'' stuff that may allow political positioning for the 2012 election but doesn't address the real problem, we are not going to solve this problem. There has been a lot of posturing going on, and I am not here to address that in

specific detail at this particular point in time except to say that we need to refocus on the real task before us. The real task before us is understood by the American people. They understand that we cannot continue spending money at the rates that we are spending it.

Our debt has skyrocketed 35 percent to a limit of $14.3 trillion in just the last 2 years. Our annual deficit, our yearly deficit, is now three times greater than the highest deficit of the previous administration. Today, as a result of a stagnant economy and as a result of uncertainty imposed on our economic system, we have 14 million Americans out of work, and that number is conservative because those are the ones who are looking for work. Those who have given up looking for work amount to a significant number, and those who may never have an opportunity to get back into the workforce ought to be of great concern to us.

These facts, combined with the warnings that have been given to us by the financial markets, should make it clear to all of us, from the President to Members of Congress and both parties and to the American people, that this current plan we are operating under, the President's economic plan, is not working; that the plan of spending more and borrowing more is not getting our economy back to where it ought to be and not getting people back to work.

Over the weekend, I was privileged to be able to give the Republican address following the President's weekly address to the Nation. In that address I suggested that instead of the current plan that we are following under, we ought to look at models that are functioning much better and working to see what we can learn.

Representing the State of Indiana, I am proud to be able to say that the model that our State has used has taken us from a deficit position to a surplus position without raising taxes. By reducing spending and actually cutting taxes and balancing our budget, we have now seen a significant change in the financial fortune of the State of Indiana and Hoosiers who occupy that State.

This administration has increased spending, increased borrowing, raised taxes, and expanded the growth of government. Now the credit agencies are looking at our Federal Government and warning of dire consequences and downgrading of our debt, at the same time the model used in Indiana, which cut taxes, cut spending, and balanced our budget, resulted in a AAA credit rating, the best rating you can get.

Now, the President's plan during this time, the only one that we can work off of, is his $4 trillion budget, which would have increased deficit spending not decreased it. Interestingly enough, the only plan that we have in front of us—a comprehensive plan at this point in time from the President or his party—is the plan the President introduced. We have had some nice speeches, and we have had some nice rhetoric. We have heard about the dire consequences of not coming up with a sensible plan before we hit the debt limit ceiling now scheduled for August 2. But the only concrete plan proposed to us in this Chamber and in the House of Representatives from Democrats is a $4 trillion budget which was voted on in the Senate and was defeated by unanimous vote. Not one Democrat voted for the President's budget plan. Yet no alternate plan has been proposed. There may be one in the works. We would like to see it. We would like to work off of it.

I don't understand how you can negotiate any kind of a final proposal if you don't have something to work with and the only thing we now have before us is simply a resolution on the matter of whether we ought to tax millionaires and billionaires.

Even if we went forward and did that, even if we took 100 percent of all of the income earned by all of those who are in the millionaire and billionaire category, it would be a drop in the bucket compared to what we need to do. It would do nothing to adjust and reform spending programs and duplication of spending and bureaucratic overlap in Washington that has been accumulating year after year after year. So it is a nice diversion. It is a nice way of playing class warfare. It is a nice way to set yourself up for some good talking points back home, positioning yourself for some good rhetoric if you are running for reelection. But it doesn't address the problem we have.

Here we are, having canceled our July 4 recess in order to discuss the budget and the plight we are in and try to come together and fashion a plan. We need a plan that we can assure the American people will put us on a much sounder fiscal path; calm the financial markets and the credit rating agencies; and reassure those from all over the world who invest their money in America that we finally have our hands around the problem, we are coming up with sensible solutions, America will continue to be a safe place to invest your money and the dollar will continue to be a sound currency in which the world can put their confidence.

I was encouraged by the President's statement recently that we ought to move forward. I hope the President's remarks on the budget last week were perhaps to satisfy his base or to politically position himself for more serious negotiations. I hope that is the case. The President has indicated, I believe, that we must take bold steps and take them now in anticipation of what needs to be done by August 2; and therefore he has called for a summit tomorrow. It is time we put aside the political rhetoric and the gamesmanship. It is time we get down to some serious bargaining and negotiating and come up with what I think most of us believe is necessary in order to accomplish what we need to in addressing this very critical problem that has steep consequences.

There is agreement, I trust, that we need serious spending reductions—some have estimated that in the $2 trillion range over a 10-year period of time. Others say to really get at the problem, it needs to be double that or more, in the $4 trillion to $5 trillion range.

There also needs to be a commitment to restructure entitlement programs. We all understand and know the three major entitlement programs—Medicaid, Social Security, and especially Medicare—are running out of money, are not sustainable under the current program, and need to be restructured.

Once again, this is something that is ripe for political positioning and posturing. The fact is that unless we address structural changes in the entitlement programs, those programs will have to be drastically reduced, if not eliminated, in the future because they simply are not sustainable, given the current number of recipients drawing benefits as opposed to the money that is going into most programs. Anyone who says we are doing this on the backs of senior citizens, on low-income people, is not realistically acknowledging the facts. These programs are going broke. There are those, on both sides of the aisle, who are standing and saying this has to be part of our solution to our spending and deficit problem. Those who are saying this is not part of the solution simply are telling seniors we are going to allow your program to go broke or there are going to be severe consequences.

Those who are advocating this, to the contrary, are saying we are trying to save those programs. We are trying to ensure that the needed health care benefits under Medicare and needed benefits under Medicaid and needed income under Social Security that people are depending on will be preserved in the future. We are trying to save those programs and keep those programs solvent so that a few years from now, as the trustees have indicated in their latest report on Medicare—a few years from now we will not run into a much more serious problem, which will require much more drastic action.

Also, what we need to do is ensure that we have enforcement programs in place so whatever program cuts and changes and reforms that are made are not overturned by a future Congress. We need enforcement programs to do what we are obligated to do on this floor but often do not seem to have the political will to address effectively, programs that will automatically kick in to ensure the goals we established are reached, whether or not we have the political will to go forward and do it ourselves.

I support a balanced budget. If we had had that balanced budget passed in the mid-1990s, when we came close, but failed by one vote each time, we would not find ourselves in this position now.

We would have done what States across America had to do; that is, be straight out with their constituents and simply say: Yes, you can have this new program; yes, we can expand spending, but constitutionally we are mandated to balance our budget so we have two options of getting there. We can either reduce spending in other areas, if this is more important and has a higher priority, and use that money to pay for it or we can raise your taxes. Let's decide which you want to do. Is this program of such necessity and does it have the majority support in the State or the locality and is the public willing to support it with increased taxes? That is not unlike the school referendums, where the school puts forward a plan to improve the facilities or hire new teachers and puts a referendum before the people of the school district and says: If you are willing to raise your property taxes, we add this program or do this with the education system. Sometimes they pass. Sometimes they fail. But it gives the public the opportunity to determine whether to pay for it. It leaves the ultimate financial position at a level of balance.

We should address that. If there is a dispute or difference of opinion as to what the components of a balanced budget should be, we should have that debate. We should go forward on that and work toward some sensible solution. But the only way we are going to guarantee to the American people we are not going to return to our profligate ways is to establish and enact and give to the States the opportunity to enact a constitutional amendment to balance the budget for future spending.

Finally, I wish to include the need for comprehensive tax reform. As many in this Chamber know, Senator WYDEN and I, on a bipartisan basis, have introduced comprehensive tax reform. We are going to talk about that a little bit later this afternoon. We have essentially said that the Tax Code is dysfunctional. It does not promote growth and efficiency. It needs to be reformed. There is a general consensus on that.

We have proposed a way to do it. We are open to suggestions of better ways if someone else has some better ideas. We do believe a lot of the subsidies and tax exclusions and expenditures in the Tax Code are unfair. They are put in for the benefit of a few and not the many. That part needs to be reformed.

There is a very interesting editorial this morning in the Wall Street Journal, talking about the ability to broaden the tax base by eliminating many of these exclusions but, in return, lowering the rates—whether they be individual or corporate rates. That would give us the opportunity to promote growth, which is an essential part of our reaching fiscal balance and fiscal sanity.

The time is now. The time is not after the 2012 election. The dire situation in which we find ourselves is being watched worldwide by financial markets, by all those who lend us money. They want to know what the financial future of the United States is going to be. They want to know whether we have the will and the commitment to address our very serious financial situation and the political situation that goes along with it. Are we willing to rise above the politics and do what is appropriate and necessary for this country?

The President said: ''Right now, we've got a unique opportunity to do something big.'' I could not agree more with that statement. I am glad the President finally has come on board and said let's get engaged together and negotiate something big, something that will solve the problem. Now is the time for us and the unique opportunity for the President to lead.

But, frankly, we need more than rhetoric. We need specifics. We need to put it on the table. We need more than some kind of a rant against those who fly on corporate jets, as if that subsidy—which is the depreciation issue in the Tax Code, is going to solve the problem or whether we are going to impose a higher tax on billionaires and millionaires, which didn't even pass a Democratic Congress in December. Even if those taxes on the wealthy went up to 100 percent, it is a drop in the bucket. This is not a responsible way to go forward and negotiate what we need to negotiate.

The American people understand it. They voted at the polls in November of 2010 in a way that should send a signal that we understand what is going on and we want to send people to Washington who will address this very problem. As this thing has cascaded into 2011 and we have dithered and pushed off and rethought through what the schedule is, the American people are getting increasingly frustrated over our inability to come to terms with this current situation we face.

Now is the time. Now is the time to put politics secondary to what is right for America and what is right for Americans. We have that opportunity, a unique opportunity. In one sense, it is good we are running up against this debt limit crisis because it is forcing us to stop pushing this problem down the road, to stop delaying and waiting until after the next election. It is forcing us to take action now.

We have about 4 weeks to do what is right for the American people but, more important, what is right for the future of America, our children and grandchildren and generations to come. If we are going to be that generation which saddles them with debt they cannot climb out of and they are unable to live the simple American dream of raising a family, owning a home or a place to live, providing for the education of their children and participating in the wonderful experience this country has had through sacrifice and commitment and dedication over all these years—if we are turning that over to our children with that broken dream and broken promise, we have not done our job.

We are here to do it now. The time is now. Let's have the political will to do it. Let's subordinate our political considerations for 2012, do what is right, and then we will have left a legacy—win, lose or draw politically—a legacy that is important for this country.

I yield any time left, the remainder of that time.

The ACTING PRESIDENT pro tempore. The Senator has consumed his 20 minutes.

The Senator from Oklahoma is recognized.

Mr. INHOFE. Madam President, first, I stand in total agreement with everything my good friend from Indiana has said, particularly the emphasis on the time is right; it is now. We have been talking about a balanced budget amendment. We have been talking about this problem for many years. To me, I feel great frustration that I am even in the Chamber right now.

Quite often what I do—I have a very regular schedule. If I am not on a weekend in Iraq, Afghanistan or Africa, someplace having to do with the duties I have as the second ranking member of the Armed Services Committee, I am back in Oklahoma. I have been a pilot for 50 years and I get in a little plane and I go out and talk to real people. People shake their heads and say: Why are we still talking about this? Why aren't we doing it? Why is it we are so wrapped up in this thing?

There is not an easy answer. We are supposed to be back here, I guess, talking about a Libya resolution. We all realize that is something that kind of diverts the attention of the American people from the real problem. The real problem of course is the deficit. As I see where we are and look at some of the alternatives they have—the Senator from Indiana said the Democrats want to, I guess tomorrow morning, vote on some kind of a bill that is going to be a tax increase on the millionaires. We are right back again with our class warfare. If we are to rephrase that statement from an economic perspective we would say something like this: It is the sense of the Senate that we should raise taxes on America's job creators and entrepreneurs to prevent the economy from recovering from this recession.

That is exactly what we would be doing. Yesterday, I searched through a database of the IRS, their historical tax data. If we were to tax all the income of those individuals making $1 million or more at a 100-percent tax rate—in other words, take every cent they have, tax them all—the total amount of revenue that would be generated would be $700 billion.

Stop and think about that, $700 billion is way less than half the deficit President Obama gave us just this year, a $1.65 trillion deficit. It is clearly a deceptive thing. The American people, I think they assume they are so dumb they can tax millionaires and get

us out of this mess. According to the Joint Committee on Taxation, the 750,000 Americans in the highest tax bracket report less than half of the total net business income earned in this country. This is income that comes from flow-through entities such as the LLCs and partnerships. In other words, it comes from small businesses. If we were to tax the small businesses as they are going to attempt to do by saying they are taxing the millionaires, who is going to be able to grow their small businesses? I don't know. No one, I guess, has the answer. There is no answer.

There is no question we have a serious problem in Washington. Our debt is at the legal limit of $14.3 trillion, and what caused this problem is spending. In the short 2½ years since coming to office, President Obama has managed to increase spending by 30 percent. Thirty percent. He incurred a trillion dollar deficit each year and pushed our national debt up by 35 percent. The statistic that no one seems to care about, and we say it over and over, is this President has increased the debt of America more in his 2½ years than all Presidents throughout the history of America from George Washington to George W. Bush. Let me say this is not the first time this is coming up. Every time you turn around in this administration: Well, we are going to have to increase the debt limit. If not, some great crisis will take place. We did this on February 17, 2009. I voted against it. They increased the debt limit at that time. If you remember, that was the $800 billion stimulus bill. In December of 2009, a stand-alone bill to increase the debt limit of $290 billion passed. We remember so well Tim Geithner saying if we don't do this, it will ruin our credit nationwide. Then again in February of 2010, $1.9 trillion. They increased it again. The same thing. You have to draw the line someplace. There is going to be some point at which you are going to say, no, we are not going to do it unless we get some reductions and some fiscal sanity that is built into it. Right now, since reaching the legal limit, the Treasury has been shuffling money around to pay bills and they will run out of ways to do this on August 2. If an agreement to raise the debt limit has not been reached by then, Treasury will have to decide which bills to pay and which bills not to pay, and nobody wants that.

In order to raise the debt ceiling, we have to lock in the reforms necessary to permanently prevent this income debt crisis. We all know the scary statistics, but, to me, solving the problem is easy. We spent our way into this problem so we need to stop spending to get out of it. Tax revenue has not been our problem. Tax hikes should not be a part of the solution. Regardless, President Obama has made very clear he wants tax increases to be included in any kind of a debt limit deal. Sure, he may say he wants to raise taxes on millionaires and billionaires. You are going to hear it over and over. All these people out here are supposed to believe this. It is not true.

I said earlier the folks he is targeting are those who own small businesses and ones that are creating jobs. When you target tax hikes on folks such as these, you hurt everybody. This is not what we need to do. Our economy is stalling and our unemployment rate is still above 9 percent. We need to cut spending in the short term. This is a program that many people adhere to now. I don't know how many we have. I think the pledge includes about 30 Members who say we need to cut spending in the short term, cap spending in the medium term, and balance the budget in the long term to put the Nation on a sustainable, limited government path. This is the only way out of this mess.

I have been a leader here. I can remember back when I introduced the HELP Act. That was when this President first came in and he wanted to take the discretionary nondefense spending and freeze it at the new level after he increased it by 20 percent. I said, no, let's go back to 2008 levels. If we had done that, we would not be facing the problems we have.

Decades ago when I was in the State legislature, there was a great Senator from Nebraska named Carl Curtis. He came to me one day and he said, I have been trying to pass a balanced budget amendment here in the Senate for decades. The argument they use against it is the States will never ratify it. So he came up with the idea, let's preratify a balanced budget amendment to the Constitution. Well, that sounded great to me so I introduced a resolution in the Oklahoma State Senate preratifying, which we did, a balanced budget amendment to the Constitution. That was kind of fun. We came within two or three States of doing this. Had it passed, we wouldn't be here today with the problems we are facing. When you look and you say it is going to be difficult, it is not difficult. But I believe the only way to be able to pull this off and to resolve the problem is to do something about a balanced budget amendment. We have proposed one. It is out there. Senator HATCH is active in this. We are all looking at it. During peacetime the amendment would require a two-thirds majority in both Chambers of Congress to authorize the specific deficit funding level for a fiscal year. We all understand emergencies can come up. We have wars in which case we need to do something about it. This allows an escape, but it means two-thirds of the majority of the House and the Senate would have to agree to it.

Importantly, the balanced budget amendment would require a two-thirds majority in both Chambers to pass any kind of a tax increase. Our problem is our tax increases. That is what the President wants more of. The balanced budget amendment is the only reform that will put our Nation on a true path to permanent fiscal stability. This is what we need to do. This balanced budget amendment is the reform we need, and I pledge to oppose any deal to increase the debt limit that does not immediately cut the spending in the short term, cap the spending in the medium term, and include a balanced budget amendment to the Constitution.

I urge the Members to seize upon this opportunity. We have not had a serious opportunity at a balanced budget amendment now for decades. The time is here because we have never faced this before. We have never had a President who has proposed and passed $5 trillion of deficit in 2½ years. The people of America are not dumb. They know we cannot sustain that. They are going to say, all right, we all have to bite the bullet and do this thing. We need to do it. The time is right. I agree with the Senator from Indiana who said, there hasn't been a time before that is right, but this time is right. Now that this legislative agenda is dead that we have been talking about, the President has pursued aggressive regulations, especially through the EPA, that seriously harm the economy. I think a lot of people are confined in their thinking about the fact that we are spending too much money. They don't realize there is also a cost to overregulation. Right now almost everything the liberals have tried to pass through here, such as cap and trade, the President and his colleagues in the House and the Senate are trying to do through regulation through the EPA, and that is as expensive as spending money.

I don't think this is rocket science. It is something we can pass, the balanced budget amendment to the Constitution, and put Americans back to work and these are the only things that will resolve our debt problems.

I yield the floor.

I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

Mr. COBURN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COBURN. Mr. President, I have been listening to the debate this morning. It is concerning to me because as a physician, I am trained to diagnose disease. Disease, if you break that word up, is ''dis'' and ''ease.'' We are not at ease, and I hear us talking all around. I listened to the senior Senator from New York very carefully and what he had to say, and I wanted to spend a few minutes actually disputing what he had to say. Because the premise he said was if we don't raise taxes, the vital things that are legitimate roles for the Federal Government would have to be eliminated, and I find that very curious because what is lacking in the Senate body today is an actual knowledge of all that we are doing.

I go back to March when the GAO report came out on the levels of duplication within the Federal Government, and that report was eye opening to many Senators. The fact is that report only covered the first third of the Federal Government. I have long said during the past 7 years in the Senate one of our problems is the government is so big, we don't know everything it does. What came out of the report was a tremendous list of duplication, programs that do exactly the same thing in multiple different agencies. For example, we have 124 different programs to encourage students in math, science, engineering, and technology. Why would we do that? Why would we pay for 124 sets of administration? Why would we have the first program for science, technology, engineering, and math that doesn't have a metric on it to see if it works? Well, you know what the report said. None of them have a metric on it to measure whether they are effective.

We have 47 different job training programs. The report said all but three of them overlapped one another and none of those have any metric to see if they are effective or work. They cost $18 billion a year.

We have 42 different programs to teach Americans how to be creditworthy and financially sound. Mr. President, 42 across 6 different agencies? The fact is the Senate doesn't know what it is talking about. When we make statements that say if, in fact, we make major cuts in the discretionary portion of our budget, the things we count on will have to be sacrificed, it is not true, for there is at a minimum $350 billion a year spent on duplication within the Federal Government, and waste. It doesn't count fraud, which is at least $100 billion a year in Medicare. It doesn't count the Pentagon, where we have the Pentagon having duplicate weapons systems, noncompetitive contracts, cost-plus contracts where we have requirement creep so they end up costing much more than they ever should because we don't have the responsible person over there saying, no, you can't have everything you want. What you want is to have the things you need.

This whole idea that the sacrifices that need to be made are going to be highly paid for is not true because that is how much waste there is in the Federal Government—at least $350 billion a year, and that doesn't count the $100 billion in Medicare that is defrauded and wasted and wrongly paid. Their improper payment rate, which is 97 percent overpayments, is in excess of $10 billion a year. So if you have $100 billion worth of fraud, and then an improper payment rate that is around 10 percent, we could easily solve our budget problems by eliminating duplication and eliminating fraud, but it requires a lot of hard work to do the oversight. It requires a lot of legislative work to eliminate duplication. It requires us to stand and do what is necessary for our country. We don't have a problem, in general, with revenues. What we have a problem with is the Federal Government is taking 26 percent of our GDP to operate itself and 40 percent of that is borrowed.

As a physician, what my training would tell me to do is go directly to the disease. Don't treat the symptoms of the disease, go directly to where the disease is, and the disease is we have a magnitude, orders of magnitude, of duplication, all well meaning, all well intentioned, that we won't sit down and work on eliminating.

I thought I would spend a few minutes going through by department. The Department of Agriculture has 130 duplicative programs—130. I will submit for the record a few of these because I don't want the record to have too many. For example, biomass programs at the Department of Agriculture. We have the Biomass Crop Assistance Program, the Biorefinery Program for Advanced Fuels Program, the Biobased Products and Bioenergy Program, the Biorefinery Repowering Assistance Program, the New Era Rural Technology Competitive Grants Program for biomass.

Those could all be combined into one at one-third the cost with exactly the same results. But we do not have the energy, the time or the motivation to go solve these problems. So the problem is not the debt and deficit, the problem is the Congress, the lack of a work ethic to roll up our sleeves and dig into it.

We have 16 export assistance programs just for the Department of Agriculture; the Department of Commerce, 18 different duplicative programs; the Department of Education, 230 identical, duplicative programs in different branches. The only reason we know that is because the Department of Education is the only Department in the Federal Government that actually knows all their programs. There is not one other agency that actually knows all their programs. That is why it was important to get the GAO report, and we have just seen the first third of it. When we get the other two-thirds—the next third will come in February of next year, and we will have two-thirds of the Federal Government.

Do you know what it is going to show? Over $400 billion worth of duplication. The problem is not that we do not have enough revenue, the problem is we are wasteful in almost everything we do because Congress will not do the appropriate oversight for the things that are legitimate roles for the Federal Government—the first person who does not have to have any risk of no food safety, the first person who does not have to have any risk of not having Medicare or not having their Social Security, the first person who does not have to have any risk if the Congress will actually do its job. Yet we refuse to do our job because each one of these little programs has a little political body in itself that is taking and sucking off the Federal Government, many times not a legitimate role under the enumerated powers of the Constitution that is a role for the Federal Government.

I get letters all the time in my office: Please fund this. Please fund this. My answer back is: Show me in the enumerated powers where it is the role of the Federal Government to do that. If it is truly our role, I am for us doing it. But if, in fact, the enumerated powers—as originally written and as evidenced by the Federalist Papers—say it is not a role for the Federal Government, then the States ought to be doing it. Better yet, we as citizens ought to be helping other citizens who have a need.

But the fact is, we have created this monster, an out-of-control Federal Government. I am talking out of control because nobody is in control of it. Nobody has the information, which is the power to do it, which is why knowing all this stuff is so frustrating. We will not eliminate the easy things that will have no impact on 99 percent of Americans. The only people impacted are the people who are benefiting directly from administering or gaming the programs.

The Department of Energy. When the Department of Energy was created, it was to eliminate our dependence on foreign energy. Our dependence at that time was 30 percent. It reached a peak of 67 percent. Thankfully, due to horizontal drilling and environmentally sound fracking, we now are at 47 percent. We have gone down 16 points since the technology was developed to go after resources that are here.

The Congressional Research Service says—and this is a report published this year—that America has energy resources greater than the combined energy resources of China, Canada, and Saudi Arabia. We are the only country in the world where the citizens own the resources and their own government will not let them have it. We deny our own resources to our own people. Consequently, we see $4 gasoline, not because it has to be there—and we blame speculators and we blame the large oil companies. The reason gas is $4 is because the Federal Government will not let us utilize the very resources we have.

Mr. President, 92 percent of the 650 million acres the Federal Government owns is unavailable for resource production that can be done in a clean, environmentally friendly way, with no impact whatsoever. Yet supply us with valuable energy that does not make us dependent on countries that are not supportive of our liberties and our freedom.

So you are going to hear a lot of speeches today talking about those who have actually lived the American dream, people who have made it. I am not saying there is not excesses. I am one of the very few people on my side who thinks we ought to change the Tax Code, we ought to eliminate all the

brackets, we ought to flatten the Tax Code, that it will be clearer, it will create confidence, it will create certainty, and we will see the money—the $2 trillion that is sitting on the sidelines that could be creating jobs in this country—actually come in and create jobs.

But our problem is not the people who have been successful. Our problem is we, the Members of Congress, are not successful in accomplishing the task we were sent to do.

The Department of Homeland Security. More unregulated grants, 32 duplicative programs, no followup on the grants, no checking to see if a grant that was given actually performed the purpose. There is a significant amount of fraud, a significant amount of improper payments, significant layers of duplication. Not even the Department of Homeland Security knows what is going on, let alone Congress, because we will not do oversight.

There are 40 duplicative programs inside the Department of the Interior. Then we have all the duplicative programs across agencies. I did not list all of them here. There are 35 duplicative programs in the Department of Labor, 53 in the Department of Justice, 6 in the Department of State, 19 at the Department of Transportation. Who knows how many there are at the Defense Department because the Defense Department does not even know.

The problem we need to address is our lack of aggressiveness in reviewing and oversighting the Federal Government and eliminating the duplication.

It is frustrating to me as a physician to see us continue to treat the symptoms and never go after the disease. This disease will eventually kill us. It is bleeding us now, like it is bleeding us as we borrow $5 billion a day—$5 billion. That is the entire budget of the State of Oklahoma every day we are borrowing. Now we have political games being played, finger-pointing, putting our finger in the eyes of those across political lines rather than getting down to work and solving the real problems America faces.

We do not have one problem in front of us that we cannot solve as a nation. We can balance our budget. We can accomplish what we are called upon to accomplish if, in fact, we will. But the one little thing that creeps in, that is nauseating, is the vast majority of the Members of Congress are not thinking about the problems that are in front of us right now. They are thinking about the next election: How do I advantage?

When you see that happen, what you see and what you should question is, what is the motivation of the Members of Congress? Is it just to get reelected or is it to fix the very real and urgent problems in front of us? I think too often it is about us and not our country, it is about us secure in the next election rather than our children and grandchildren secure in the next generation.

I would put forward, as you hear the debate over the class warfare and the unfairness that is propagated—that somebody has become successful and that 20 percent of Americans now pay 74 percent of all the taxes paid, that we want to tax those people more—I believe everybody in this country ought to pay taxes. I do not care who you are. I do not care what program you are on, if you get a benefit from the Federal Government that is rightly under the enumerated powers, something the Federal Government should be doing, you ought to pay a tax on it. Then you are participating. Then we would not have 55 percent of the eligible population voting; we would have 75 or 85 percent because they would have an involvement.

We have an earned-income tax credit program which we pay people who are working. We actually pay them every year. But fully 25 percent of that is fraud. That is $17 billion a year paid out to people who are not working who are defrauding the IRS. We have not done anything about it. Mr. President, $17 billion over 10 years is $170 billion. That goes a long way toward reducing our structural deficit and debt. But we will not do that. The same thing on the child tax credit. That is a fraudulent program. Fully 20 percent of it is fraud. Yet we have not done anything about it.

The PRESIDING OFFICER. The Senator has used more than his 10 minutes.

Mr. COBURN. Mr. President, I ask unanimous consent to continue, since nobody is on the floor.

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

Mr. COBURN. I am sorry. I will finish in just a short period of time.

The question then comes over why we would not allow the States to decide whether they think we ought to have a balanced budget. It is true, it will take 5 to 7 years for it to be fully effectuated. But the sooner we start down that road and give the States the option of saying: We think you ought to live under the same rules we live under—we have all sorts of reasons why we should not have a balanced budget amendment but not one of them makes sense, not one of them fits with common sense, not one of them does anything except continue down the road we are on today.

Again I would say, as you hear the debate, think about the real disease we have rather than listening to the symptoms. The disease is we are outside the enumerated powers of the Congress. We have $350 billion worth of waste and duplication every year that Congress will not address. We have a Tax Code that costs one-quarter of a trillion dollars a year just to comply with and then still is not fair. Yet we will not address the real disease.

The way you address the real disease is identify the real disease and then give it the treatment it needs. The treatment it needs is discipline forced on Congress by a balanced budget amendment. I guarantee you, if we were to pass it out of here, the States would pass it and send it back to us and our children and grandchildren would be much better off with it.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. PAUL. Mr. President, on August 2, the United States will face the debt ceiling. I am one who thinks we should be debating it every day, every week until we find a solution. But in order to find a solution, we have to first admit we have a problem. We have a significant problem. Raising the debt ceiling is sort of like not paying your credit card bill and then saying to the credit card company: I want to increase my limit. We have been doing that year after year, decade after decade. Both parties have done it. This is not just one party's problem. It is both parties' problem, and it is the country's problem.

How big is the problem? We are spending $10 billion a day. Of that $10 billion, we are borrowing $4 billion a day. We are spending $100,000 a second, and we are borrowing $45,000 a second.

Senator DEMINT, the other day, said it was akin to a drug addiction. You know that to get better from a drug addiction, the first thing you have to admit is: I am addicted. You have to admit you have a problem. That is what is going on. We have to admit as a country we have a problem. But then we get into this debate, and each side seems to have a different position. Is the problem that we are spending too much or is the problem that we are taxing too little?

You can look at the numbers and you can actually come up with an objective answer. The answer is we are spending too much. You can look at it in terms of what is spending as a percentage of our gross domestic product? What is spending as a percentage of our economy?

Spending under Clinton and under Bush, for about 16 years, was between 19 and 20 percent of our GDP. What is it now? It is about 25 percent of our GDP. So under any objective standard, we are spending more than we were previously.

Some would argue—they say: Well, the Bush tax cuts caused this. If we could just get rid of the Bush tax cuts. We are not taxing people enough. But if you look at the numbers, the numbers do not bear out. The numbers are that basically, in 1987, revenue was about 18 percent of GDP.

In 1995, revenue was about 18 percent of GDP. In 2003, Bush passed the tax cuts—Congress passed these tax cuts. In 2006, revenue was still at about 18 percent of GDP. Right now, revenue is under 15 percent. So revenue has gone down in 2008, 2009, and 2010.

But what happened in 2008? A severe recession, the worst recession since the Great Depression. When we have fewer people working, we have fewer people paying taxes. It has absolutely nothing to do with the Bush tax cuts. They happened in 2003. Revenue stayed steady at

18 percent, which it has historically for 60 years until 2007, 2008. The recession hits, revenue goes down. So we have a lack of revenue. But if you raise rates, you will not get more revenue. If you want more revenue to try to balance our books, you need an economy that employs more people, you need a growing economy. It is all about getting out of the recession. But that is why some of us fear raising rates now, because we think that will harm us and make it more difficult to come out of a recession.

Many on the other side say: Well, the rich just need to pay more. They think the rich are not paying enough. They want to somehow say: If the rich would pay more, we could get out of this. But you have to once again look at the facts.

There is a resolution on the floor now that the Democrats are promoting. It says that the rich—the people who make more than $1 million a year—that they earn or bring in 20 percent of the Nation's economy. Well, that is true, but they pay 38 percent of the income tax. So the question is, Are the rich paying enough? Well, they bring in 20 percent of the income, and they are paying 38 percent of the revenue. I do not know.

The other question is, If you just stick it to the rich and say, well, let's make the rich pay more, what will that do to the rest of us? Do you think we will have more jobs or less jobs if we tax people more?

The question also is, Will you get more or less revenue if you do this? Historically, no matter what the rates have been, we bring in about 18 percent of GDP. For example, back in the 1950s, we had tax rates as high as 70 percent on the wealthy. When we did, we brought in 18 percent of GDP. When Reagan came in, he lowered tax rates to 28 percent for the upper limit. We still brought in 18 percent of GDP. The difference was when we brought in lower rates, we brought in a booming economy, more jobs, and we expanded the number of people paying taxes. You expand the tax base.

Now we get back to the impasse. There is an impasse up here. The other side says: The rich must share more of the burden. There is a way to do it without raising taxes. There is ultimately a compromise that I think brings both sides together, gets beyond the debt ceiling. If they would talk about it, if we would have a debate down here or an informal discussion, we could fix this tomorrow.

If you want the rich to share more of the burden, ask them to pay for their Medicare. I see no reason why the wealthy should not pay the full cost of Medicare. Ask the rich to take less in Social Security benefits. If you means test Social Security benefits—if you say: If you are a wealthy person, guess what, we don't have enough money to give you what we said we were going to give you and you will have to take less—I am perfectly willing to accept that. So there are ways you can do it without damaging the economy.

I think raising taxes damages the economy and damages jobs for the working class. We tried this before. About 10 years ago we said let's get those rich people. They put a special tax on yachts. Guess who it hurt. The guy making $40,000 a year building the yachts lost his job; the rich went to the Caribbean and bought their yachts somewhere else. It does not work. It is not good for the economy. It hurts the working class to raise taxes.

But if you want to say the rich need to absorb more of the burden, simply have the rich pay more for their benefits or get fewer benefits. I am willing to accept that. Many Republicans are. It is the compromise. Republicans aren't willing to raise taxes. Democrats want to raise taxes. Where do we compromise? Come together and say that the rich can absorb more of the burden by paying more for their benefits or getting fewer benefits. This is a compromise that would work. We could actually get together and raise the debt ceiling.

I have said I will vote to raise the debt ceiling if and only if we decide to do something different in this Congress. Congress really has done a poor job. Do you wonder why Congress has a 14-percent approval rating? Because they have been a poor steward with your money—a poor steward. The Congress has not done a good job watching over your money. They have been profligate spenders.

So I think that in order for the American people to believe we are going to do a better job, we need a new rule. We need a balanced budget amendment. So I will propose, along with other Senators, to raise the debt ceiling contingent upon a balanced budget amendment so that we balance our budget by law.

Some have said: Well, let's just promise to cut spending over the next 10 years. Let's raise the debt ceiling $2 trillion, and then we will promise to cut spending $2 trillion.

The problem is that we are not very believable because we have not kept our word in the past and we cannot bind the next Congress. The next Congress will be elected by a new set of people. They will come up here, and they do not have to go by what we are promising. If we amend the Constitution, though, the next Congress will be bound by this, and the next Congress would have to live within its means.

I believe this is very important. There is becoming a consensus in our country that says the debt is a real problem. I think the two sides could come together—Republican and Democrat—and say: This is how we would work it out. But I think it means significant cuts in Federal spending. It means statutory caps, meaning government should have to live within its means each year. And I believe we need to amend the Constitution. But if the Democrats say they have to have it that the rich pay more somehow, let's have the rich pay more for their benefits. That is ultimately the compromise. I think you can get the vast majority of Republicans to agree to that, Democrats could agree to that, and we could fix the problem. The American people would be amazed that we got together and we fixed the problem and we moved on. That is what needs to happen. It is not happening in this body.

This body needs to debate the debt ceiling, we need to come up with a solution, and we need to move on. We have not had one committee hearing about the debt ceiling. We have not passed a budget in 2 years. We have not passed an appropriations bill in 2 years. We are not doing what we are supposed to be doing. The American people say they want results. They want us to at least have a debate. We do not have to agree on everything, but let's debate and admit what the problem is and move forward. But instead we get obfuscation, and we talk about something that is not really pertinent to what our problems are. We have to, like the drug addict, admit we have a problem. Our problem is spending. It is not a taxation problem. It is not a revenue problem. We have less revenue because we are in a recession. We have a spending problem. The numbers are clear as day.

I would say to this body and to the American people, let's balance our budget. Raise the debt ceiling, but let's go ahead and have a balanced budget amendment to the Constitution.

I hope we will recognize those problems and move forward.

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. THUNE. 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. THUNE. Mr. President, like many of my colleagues, I was back in my State for the Fourth of July celebrations, and what struck me about those visits I made and visiting and interacting with people—and I remember riding my bike around my neighborhood on the Fourth, and there were lots of families, lots of lawn parties and pit fires and get-togethers, family get-togethers, people shooting off fireworks, and all of that sort of thing. It occurred to me as I was riding around that a lot of the people who live in those neighborhoods probably are not thinking about what is going to happen if we do not do something to address this spending and debt problem we have in this country. And we are very near a debt crisis.

We have seen what has happened in other countries around the world. When you start looking at the increase in interest rates that occurs when you get into a debt crisis—and Greece is

perhaps a good example of that because now they are facing, on 2-year debt, 24-percent interest rates.

As we all know, Treasury interest rates, Federal borrowing, Treasury notes, bonds, bills—those sorts of things are sort of what drive interest rates in other areas of our economy. So if you are one of those homeowners in South Dakota and you are looking at perhaps refinancing your home or buying a new home or being a first-time home buyer, if you are looking at an auto loan, if you are looking at a loan for your child's education, you could very well, if we do not get things turned around here, be looking at much higher interest rates. That would put an even bigger crimp on the budgets of most families across this country.

It was interesting because last week there was an op-ed in the Wall Street Journal in which Larry Lindsey, who was a former Federal Reserve Board Governor and also served in the Bush administration as an economic adviser, pointed out that if you had interest rates return to their 20-year average—in other words, if you went back to a more normalized type interest rate environment—it would actually increase the borrowing costs of the Federal Government over the next 10 years by $4.9 trillion. So think about how much money, how much we are spending every single year now to pay for our borrowing, and compound that by increased interest rates. It would make the fiscal situation we are facing much worse and even more dramatic than it already is.

So the point I am making is that we have to get the spending and the debt issue addressed here in Congress. Why? Well, because we are saddling future generations with an enormous burden of debt. We are putting the country on a path to a debt crisis, which would be a huge mistake for this country for so many reasons, but probably most fundamentally is because it has a profound impact on the economy.

I think most Americans are concerned right now about jobs and the economy. That is the No. 1 issue in front of most Americans. And it strikes me that if you look at what we can do to get people in this country back to work, obviously creating conditions for economic growth means keeping taxes low, balancing the Federal budget, having an energy policy that promotes American production, improving market access through moving some of these free-trade agreements, and clamping down on the overreaching regulations we are seeing coming out of a lot of the agencies in Washington, DC.

There are a whole series of things that can and should be done if we are serious about getting people back to work. But it means we can't be raising taxes on the job creators. There is a big debate right now about how do we get ourselves out of this fiscal mess. I submit to my colleagues that the real issue here is spending. If you go back to the foundation of our country, in the year 1800, we were only spending 2 percent of our economic output on the Federal Government. This year, we will spend 24 to 25 percent. The historical average over the past 40 years is about 20.6 percent. We are now dramatically higher in terms of what we spend on the Federal Government as a percentage of our entire economy.

To me, clearly, we have a spending issue, not a revenue issue. That suggests we ought to get after Federal spending—particularly spending that is duplicative, redundant. There is so much in the Federal Government we spend money on that is wasteful, and we need to cut that type of wasteful spending out of Washington, DC.

We have to also focus on long-term programs, such as Social Security, Medicare, Medicaid, entitlement programs that drive much of Federal spending—around 60 percent of the money that is spent by the Federal Government. So far there is no appetite among our Democratic colleagues to do that. We have now gone 798 days without a Federal budget. The only votes we have had on the budget in the Senate were on the Ryan plan and the Obama budget. The President's budget—the Obama budget—that was voted on in the Senate, prescribed more taxes and spending and more debt. It failed by a vote of 97 to 0. Again, the budget presented by the President failed 97 to 0 in the Senate.

We don't have a budget in the Budget Committee that has been shown to us yet. This week, we are voting on a nonbinding sense-of-the-Senate resolution that doesn't even say how we should contribute to deficit reduction. Is it going to put higher tax on people? Are people going to have fewer deductions? Are people going to be ineligible for farm income payment programs? Should they have to contribute more to Medicare or receive less Social Security benefits than those who are less fortunate? We don't know. We don't have a budget presented to the Senate for consideration. All we have in front of us this week is a sense-of-the-Senate resolution, which is very vague and could be interpreted lots of different ways.

The White House meeting is tomorrow, with leaders of both parties. I hope it will lead to substantive cuts and an agreement about how we are going to reduce spending and get this debt and year-over-year deficits under control. It should not lead to more taxes. The reason is that higher taxes only hurt job creation and make our economic situation much worse.

We were reminded of the need to do this this week when Moody's downgraded the status of the Portuguese debt to junk. This is despite the fact that their government is pushing through an austerity plan that cuts spending and hikes taxes. We have seen that in lots of European countries that are dealing with sovereign debt crises.

That is our future if we don't get this issue under control. It has been 798 days since this Senate has passed a budget. That is where it starts—determining how we are going to set priorities, and how we are going to spend taxpayer dollars, and rein in runaway Federal spending and make a dent in this $14 trillion debt that we are saddling on future generations.

I hope we can get a budget before the Senate. This sham of a resolution this week—the sense-of-the-Senate resolution—is certainly not the way to do that. I hope we can get to a meaningful discussion of what we are going to do about spending and debt and jobs in this country.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:33 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARDIN).

SHARED SACRIFICE IN RESOLVING THE BUDGET DEFICIT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. Under the previous order, the time until 6 p.m. will be equally divided and controlled between the two leaders or their designees, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from California.

Mrs. BOXER. Mr. President, I want to make note of the fact that this is the first time since the Watergate scandal the Senate has canceled its Fourth of July recess, and the reason is so that we can continue working on this issue of reducing our deficit and our debt, and—from my point of view, and I know I speak for many—doing it in a way that doesn't savage our senior citizens, our children, our families, our environment, and our economic growth, but doing it in a way that is fair, doing it in a way that is fair so that we don't wind up with people such as Warren Buffett or Donald Trump paying less of an effective tax rate than their secretaries or a nurse or a firefighter. That is why we are here. That is why I am here.

I want to apologize to my constituents in California. I had to cancel several events that were scheduled, but we will do those things certainly at another time. It is critical to end the current standoff, and that, it seems to me, means sticking to three principles: First, we must agree great nations do not default on their debt. Both sides need to compromise so that doesn't happen. Nobody gets everything they want in a compromise. I speak as a Senator, a former House Member, a former county supervisor, a mother, a grandmother, and a daughter. The fact is you don't get everything you want if

you truly are negotiating and compromising. You don't take your marbles and go home, and you don't take your little teddy bear and leave. You stick with it and understand that in true compromise everyone gives just a little bit.

Now, let's look at the government as it is today—as the people wanted it. The people decided they wanted a Democratic President, and we have one in President Obama. They decided they wanted a Republican House of Representatives, and they have that. They decided they wanted a Democratic Senate, and they have that. So we have the three arms, and two-thirds of them are controlled by Democrats and one by Republicans.

If I then said, because of this, I want two-thirds of what Democrats want, I might have a leg to stand on. But I am not even saying that. I am saying let's meet each other halfway. That is fair. That is very fair. And I think most Americans of independent mind would think so.

This is not a parliamentary system. In the parliamentary systems we see around the world, the ruling party gets everything they want and the others get to talk and maybe somehow work themselves into the equation. So first and foremost, we need to compromise.

Second, we need to take a lesson from history and follow what worked the last time we balanced the budget in the mid-1990s—the early to mid-1990s. Believe me, we did it. With President Clinton, we did it. We passed a budget that some of my friends on the Republican side said would be a disaster; that it would never balance. It did. As a matter of fact, it produced surpluses. We passed a budget without one Republican vote, and it laid out the plan that some of my Republican friends said would put us into a depression. We went into the longest period of sustained economic growth and 23 to 24 million jobs were created.

So we know how to do this because, guess what. We did it before. We had a plan that cut unnecessary spending, and it asked the upper income people—the very wealthiest among us—to pay a fair share, and it created all those jobs and we had surpluses.

Our friends on the other side say: Don't talk to us about that. We don't want to talk about it. But we have to talk about it because otherwise we are going to do what the Republicans did to the seniors in their House budget, which is to end Medicare as we know it and to put the burden of all this on their backs and on the backs of the middle class.

So, first, we need to compromise; second, we need to do what works—cut the things you don't need, invest in the things that will create the jobs, and ask the wealthy to pay their fair share.

Third, we have to put our country ahead of politics. Let me read from a couple of very interesting recent editorial comments. Actually, they were yesterday. This is from USA Today.

GOP rigidity on taxes threatens debt deal.

Let me repeat that:

GOP rigidity on taxes threatens debt deal. . . . if the GOP walkout is anything more than a negotiating tactic, it is breathtakingly irresponsible, considering the risks of default. . . . the Nation has used trillions of dollars in borrowed money to finance two wars, Medicare's prescription drug program and President George W. Bush's broad tax cuts—all initiated with the GOP controlling both the White House and the Congress. Now Republicans have belatedly decided that borrowing is bad, too, but they dogmatically resist even the most sensible and painless tax hikes.

This says it all. This, again, is from USA Today.

Then there is a David Brooks article—a leading Republican columnist—which says:

If the debt ceiling talks fail, independent voters will see that Democrats were willing to compromise but Republicans were not. If responsible Republicans don't take control, independents will conclude that Republican fanaticism caused this default. They will conclude that Republicans are not fit to govern. And they will be right.

Again, this is written by a leading Republican—well, actually, I would call him a leading intellect in the Republican Party.

So we see that people on the outside are noticing what is happening. You cannot take your marbles and go home when the full faith and credit of the United States of America is at stake.

A lot of people think raising the debt ceiling is so we can do more spending in the future. No, no. Raising the debt ceiling is to take care of the debts that were incurred in the past—two wars, unpaid for; a huge tax cut to the millionaires and billionaires, unpaid for; a prescription drug benefit, unpaid for. While my Republican friends said, no; Medicare could not negotiate for lower prescription drug prices. So the cost of it is just going through the roof.

So if we don't put revenues on the table, if we don't talk about closing those tax loopholes that benefit millionaires and billionaires, all the cuts go to the middle class. All we have to do is look at the Ryan budget that passed the House to understand what is going to happen if we don't do this.

Now, the Republicans had this budget, and they gave it a name over in the House: ''The Path to Prosperity: Restoring America's Promise.'' Well, I took some liberty and wrote my own title. I think their budget is ''The Path to Poverty: Breaking America's Promise'' because that is what that budget does.

The Republican budget would end Medicare as we know it. A 65-year-old who becomes eligible for Medicare would pay more than $12,000 in health care costs the first year the plan goes into effect—twice as much as what they pay under current law. Imagine a senior citizen—a grandma or great-grandma—who maybe lives off Social Security, who is paying $6,000 for health care, is suddenly paying $12,000. We might as well tell her to forget it. She is going to have to get down on her knees and pray she doesn't get sick.

But that wasn't enough to pay for the tax cuts for their rich friends, so their budget cuts Medicaid by 49 percent by 2030. By the way, a lot of that is paying for nursing homes for the poorest of the poor.

The Republican budget would cut education grant awards by one-half, so that 1.4 million students would lose access to financial aid. That is what this country has been about—giving hope to our young people, and hope means an education. So Pell grants, cut in half.

They say over and over: Washington doesn't have a tax problem, we have a spending problem. Well, let's take a look at that. If we look at nondefense discretionary over the years, what we find when we add in inflation is that it hasn't grown at all, while the military spending has gone up 74 percent. So, clearly, we have a roadmap just in terms of fairness that shows we can get to where we have to get.

Let's not keep cutting what we have already cut. Let's cut the waste, let's cut the fraud, let's cut the abuse, and let's cut these tax expenditures.

Mr. President, I ask unanimous consent for an additional 5 minutes, and then I will yield to my friend.

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

Mrs. BOXER. I thank the Chair.

So defense spending, they may look at it, but they are not happy about it even though it has gone up 74 percent over the last 10 years.

Now, again, we should look at Warren Buffett. Warren Buffett made the point that he paid only a 17.7 percent tax on his $46 million in earnings while his receptionist paid 30 percent on her wages. Imagine, in 2008, the 400 richest income-tax filers paid an effective rate of about 18 percent.

Take ExxonMobil: They paid an effective rate of 18 percent on $7 billion, whereas the average family making a combined $100,000 had a higher effective rate. Let's give tax breaks to the middle class, not to the wealthiest who have everything and more and whose children's children's children's children will be fine. This is America. This isn't prerevolutionary France, where the King had everything. If there was a family supported by two teachers, and they made $106,000, they had a higher tax rate than ExxonMobil. But, still, if we look around the country at Republican legislators and governors, they are going after the teachers—who are so wealthy—while the people who are making the millions and the billions they give more and more to. I don't understand it. It is trickle down, I guess. Somehow somebody will spend something at the very top, and it will trickle down. That is all fine, but they have enough to trickle down already, so we don't have to add to it.

A family supported by a truckdriver and a dental hygienist who made a combined income of $107,000 had a higher tax rate than ExxonMobil.

The tax break for corporate jets is $3 billion over 10 years. Subsidies to the biggest five oil companies are costing us $21 billion over 10 years.

So what I am saying is, we don't have to balance the budget on the backs of the senior citizens who need their Medicare or on the students who need their Pell grants. We don't need to do that.

I am the chairman of the Environment and Public Works Committee. The House budget, which I say breaks America's promise, is so bad on transportation, it cuts 36 percent across the board. Thousands and thousands of construction workers, whether they are in Utah or California or Maryland—or you name your town, your city—will be cut. This is an area where there has been so much unemployment because of the housing crisis that we could fill 20 Super Bowl stadiums with unemployed construction workers—2 million. That is how many there are.

So look at what President Clinton did. He increased taxes on the wealthiest and created tax incentives for small businesses. He invested in education, retirement savings, research and development, and the Republicans fought us tooth and nail. As a matter of fact, Senator GRASSLEY said at the time:

> I really do not think it takes a rocket scientist to know this will cost jobs.

That is what he said created 24 million jobs—23 million on the low side—and surpluses of $236 billion.

Let me conclude by saying this is a tough time in our history. We are at the precipice for the first time in my lifetime of hearing threats of defaulting on the full faith and credit of America. When we lift the debt ceiling, we do it in order to pay for the debts that were incurred. Sadly for us, after having a surplus under Bill Clinton, the policies of George W. Bush caused us to go into deep holes and deficit and debt. We were on the way to a great place, but never forget when George W. Bush came out and said these surpluses we are running belong to the American people. What he meant was the rich people because that is who got the lion's share of that. So we can keep the tax rates low for the middle class, we can make sure the wealthy pay their fair share, we can come to the table and negotiate with an open heart and an open mind and knowing well that we will not get everything each of us wants.

I will close by reading a quote from Ronald Reagan. President Reagan wrote the following:

> The full consequences of a default—or even the serious prospect of default—are impossible to predict and awesome to contemplate. Denigration of the full faith and credit of the United States would have substantial effects on the domestic financial markets and on the value of the dollar in exchange markets. The Nation can ill afford to allow such a result.

President Reagan was right. It is time to stop playing politics with this, the greatest country that gave us everything we have ever hoped for.

I say to Americans, call the Senate. Ask for a fair budget plan, with the parties meeting each other halfway.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I ask unanimous consent that I be permitted to speak.

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

Mr. HATCH. Mr. President, it is nice to hear asking for a fair budget plan. We haven't had a budget from this administration now in almost 800 days. They have control of the Senate. Yet we haven't seen a budget from this administration.

I get a little tired of the Obama approach toward shared sacrifice. Shared sacrifice is something. It sounds good. But I would prefer the Republican approach to shared prosperity, and that is what I think we are all about.

When we talk about what shared sacrifice is, think about this. It is pretty irrefutable that the bottom 51 percent of all wage earners of all households do not pay income taxes. The top 1 percent of the so-called wealthy pay 38 percent of all income taxes; the top 10 percent are paying 70 percent of all income tax; the top 50 percent pay somewhere near 90 percent of all income taxes; 51 percent don't pay anything.

But Democrats say, well, they pay payroll taxes. Everybody does that because that is Social Security, and they pay about one-third of what they are going to take out over the years in Social Security. On ObamaCare, a family of four earning over $80,000 a year gets subsidies. Think about that. And that is what we call the poor? We wonder why the money doesn't go far enough? When are we going to wake up and realize that the other side just spends and spends and spends. They want to tax and tax and tax so they can spend some more. My gosh. When are we going to wake up in this country and realize they are spending us into oblivion?

I hear how they are so caring for the poor and so forth. The poor need jobs, and they also need to share some of the responsibility. We don't want the very poor people who are in poverty to pay income taxes—but 51 percent of all households? That is going up, by the way, because of our friend down in the White House and his allies.

I wish I didn't like him so much. I would like to be able to let go here. I like him personally, and I want him to be successful, but he is not going to be successful by just taxing the daylights out of everybody around here.

This Congress is currently engaged in as consequential a political debate as this Nation has seen in decades. Whether and what we raise the Nation's debt ceiling is a question that has consumed the markets in the Nation.

I serve the people of Utah and I hear about this issue every day and the sustainability of a government that has grown far beyond any reasonable or constitutional limit and the cost of paying for all this government is foremost on the minds of tax-paying citizens who will be left holding the bag, even when President Obama is back in Hyde Park and Members of Congress no longer serve. The decision to spend less is only for a moment, but the debt incurred to pay for these government programs lasts forever. Fifty-one percent of all households don't pay income taxes.

The Democrats say: Well, they pay payroll taxes. Yes, they do—everybody does because that is Social Security—and 23 million of them get refundable tax credits that are more than they pay in payroll taxes.

I wish I could report to my constituents that Washington is serious about addressing this spending problem. Unfortunately, in the last week, we seem to have hit a new low. President Obama's contribution last week was a press conference temper tantrum, where he offered policy proposals that might appeal to his leftwing base but will do nothing to avoid our coming national bankruptcy.

Not to be outdone, Democratic leadership in the Senate has offered a nonbinding resolution designed solely to score some cheap political points that will jazz up the activist left through demagogic class warfare against individuals with high incomes. He is going to raise $3 billion over 10 years by taxing jet planes. It would take 1,000 years to reach what we have as a deficit for this year just from that one tax to jack up enough money to pay for just the deficit this year.

Facing a full-blown debt crisis, this is how the Senate Democrats, following the President's lead, have chosen to spend this week, debating a nonbinding resolution. Episodes such as this leave me convinced the only real solution to our Nation's spending problem is a balanced budget constitutional amendment. Only a specific constitutional restraint will force Congress to make the tough decisions necessary to restrain the size of government, restore the integrity of the States, and protect the liberties of the American citizens and taxpayers.

To demonstrate my commitment to restoring constitutional limits on the Federal Government, I have signed the cut, cap, and balance pledge. Along with a growing number of my colleagues in the Senate, Members of the House, grassroots groups, and Presidential candidates, I have committed myself to cutting spending, capping spending, and passing a balanced budget constitutional amendment as a condition for any debt limit increase.

As this debate over how best to address our growing debt and annual deficits continues, I wish to address a technical but critical matter in these negotiations. I am talking about tax expenditures. I am ranking member on the Senate Finance Committee and I know a little bit about these. Over the next few days I am going to discuss

this matter of tax expenditures and debt. Today, I am going to talk in general about what a tax expenditure is and what a tax expenditure is not. I will next turn to the tax policy areas implicated by current tax expenditures.

For instance, home ownership is favored in our tax base with a tax expenditure. There is a deduction for home mortgage interest, a deduction for real property taxes, and an exclusion for income from home sales. These are tax expenditures.

The Tax Code also encourages charitable contributions. Charitable deductions are available to citizens when they give to a nonprofit crisis pregnancy center, when they put money in the basket at church or when they give to their alma mater, just to mention a few charitable donations.

In a third speech, I will attempt to shed some light on a widespread misconception about tax expenditures. That misconception is that tax expenditures disproportionately benefit high income taxpayers. But let's not get ahead of ourselves.

My remarks are remarks about what a tax expenditure is. Unfortunately, my remarks are also largely about Democrats' plans to increase taxes. President Obama and his liberal allies are calling for a balanced approach on a revenue piece to deficit reduction. They want shared sacrifice. I want shared prosperity.

We hear this from the press all the time. New revenues need to be a part of any deal to reduce the deficit. These are simply code words for a tax hike. I guarantee this. If we raise taxes, my friends on the other side will spend every dime of it. That is how they have kept themselves in power. Yet claiming they are helping the poor. Are 51 percent of our households so poor they can't participate in saving this country?

It is clear the professional left is insisting that President Obama include tax increases in any negotiated agreement to raise the debt ceiling. Threading this tax hike needle through an electorate resistant to giving the government more money to spend is no easy task. Although his campaign team talks a big game about the popularity of tax increases, the President's own words suggest otherwise.

Last week, in a shameful display of class warfare, the President did specifically call for some tax increases on the rich. That includes 800,000 small businesses, by the way, where 70 percent of the jobs come from. But that is the exception that proves the rule. By and large, the President avoids the effectual truth of his mission to get rid of tax expenditures—massive tax increases on the middle-class American families, to whom he promised immunity from tax increases when he was running for President. Instead, he and other members of the party of tax increases refer to tax expenditures as spending through the Tax Code. How seriously should we take his rhetoric?

When the President said he wanted to address the Nation's debt by reducing spending through the Tax Code, it proved too much for even Jon Stewart. This is Stewart's analysis of the President's contention that we could reduce the deficit by attacking spending through the Tax Code:

> You manage to talk about a tax hike as a spending reduction. Can we afford that and the royalty checks you are going to have to send to George Orwell? That's the weirdest way of ''just say tax hike.'' That's like saying, I am not going on a diet. I'm going to add the calories to my excluded food intake.

That was Jon Stewart. He hit the nail on the head. For sure it is easy to make fun. But what the President is trying to do with tax expenditures is no laughing matter.

Liberals talk about tax expenditures as though they were just getting rid of wasteful spending. First, as a legal matter, tax expenditures are not expended. Outlays are checks cut from the Treasury Department and are defined as spending under the Congressional Budget Act. Yet most tax expenditures only lose revenue and do not include an outlay portion. Tax expenditures that only lose revenue contain no spending as defined by the Congressional Budget Act and as scored by the official scorekeepers for Congress, the Joint Committee on Taxation and the Congressional Budget Office.

Second, as a policy matter, when it comes to tax expenditures, one person's loophole is another person's opportunity to save for college and retirement, finance a home, and tithe to your church.

Here is the bottom line. Taking away or reducing tax expenditures is a tax increase, unless a tax cut of an equal or greater amount is enacted.

One crucial myth I would like to dispel is that tax expenditures are spending. This chart, ''Revenue Loss Does Not Equal Spending,'' the Federal Government cannot spend money it never touched and never possessed.

What tax expenditures do is let taxpayers keep more of their own money. The American people are the ones who earn their money through their ideas, their risks, and their labor. Whether we are talking about a successful business owner or a part-time worker just starting out, the money they earn is theirs. It is their money, and only by their consent is the government permitted to take some of it in taxation to pay for certain public goods.

But Democrats have a different view. It is this view—one that is fundamentally at odds with our classical liberal Constitution and our Founders' respect for property rights—that contributes to the confusion over tax expenditures.

Liberals think that all of the money that you earn belongs to the government. You have no independent right to the fruit of your own labors, because only by dint of big government are you ever able to make something of yourself. This view is foreign to most Americans—Republicans or Democrats. It is a view that Alexander Hamilton and Benjamin Franklin and Abraham Lincoln would take issue with. But this is the political philosophy of the modern left.

So when you hear tax hike proponents come to the Senate floor and say we are giving these businesses and individuals all this money in tax expenditures, they are incorrectly assuming that the government has that money to give in the first place. The government does not have this money to give. That money belongs first to the people that earn it—those businesses and individuals who are the American taxpayers.

There are critical differences between spending and tax expenditures. For one thing, the government never touches the money that a taxpayer keeps due to benefitting from a tax expenditure; whereas, with spending the government actually collects money from taxpayers and then spends it.

Here is a more telling difference. Reducing or eliminating a tax expenditure without lowering rates enough to reach a revenue neutral level will cause the size of the Federal Government to grow, while reducing or eliminating spending causes the size of the Federal Government to shrink.

I am open to looking at eliminating or reducing some tax expenditures as part of comprehensive tax reform but only if tax rates are lowered enough to reach a revenue neutral level. Alternatively, reduction or elimination of tax expenditures could be balanced with new tax cuts that are of equal or greater value to the revenue generated by the eliminated expenditures. But if tax expenditures are reduced or eliminated without tax rates being lowered enough to reach a revenue neutral level, that is a tax increase, plain and simple.

We have made clear that as a matter of law and political theory, tax expenditures are not spending.

Now let's turn to an examination of what they are.

Fortunately, we have definitions available.

The Joint Committee on Taxation generally defines tax expenditures as deliberate departures from generally accepted concepts of net income, usually by way of special exemptions, deductions, credits or exclusions. Therefore, tax expenditures generally arise for individual income taxes and corporate income taxes.

The Treasury Department differs from the Joint Committee on Taxation slightly in how it defines a tax expenditure. For example, the Joint Committee on Taxation labels deferral as a tax expenditure but Treasury does not. But whichever definition one uses, it is clear that the President and the liberal proponents of tax increases are using their own politically motivated dictionary.

Tax expenditures have been erroneously described by many as loopholes. This is deliberately inaccurate.

A loophole is something that Congress did not intend and would generally shut down, at least going forward, once it learned of the loophole. Tax expenditures, by contrast, were generally placed by Congress into the tax code deliberately. For example, the largest tax expenditure is the exclusion for employer-provided health insurance and benefits. The second-largest tax expenditure is the home mortgage interest deduction. We all know why they are there, and they are there for good reason.

Tax expenditures are not loopholes. We are not talking here about some fancy tax scheme that a lawyer or accountant has discovered and now promotes to his clients as a way to game the system. These are broad-based tax incentives that benefit many Americans. The deduction for charitable contributions is not some loophole. It was a deliberate inclusion in the code that acknowledges the need for religious citizens to contribute to their churches.

Even some of the smaller dollar tax expenditures were designed by Congress to go to particular industries or types of taxpayers—for example, the tax expenditure to encourage the purchase of corporate jets that Democrats included in the stimulus and that the President is now criticizing.

Whether you agree with these particular tax expenditures or not, an honest debate requires recognition that they were designed by Congress with economic or social goals in mind and are not inadvertent loopholes.

As a matter of law, policy and constitutional government, I fundamentally disagree with those who are pushing these tax increases as part of a deal to raise the debt ceiling.

Our problem is spending that has grown out of control, not a lack of revenue.

According to CBO's June 2011 long term budget outlook, taxes are already heading higher than they have historically been. From 1971 to 2010, revenues as a percentage of GDP have averaged 18 percent. Since the post-World War II era, from 1946 to 2010, revenues have averaged 17.7 percent of GDP.

Yet CBO also projects that revenues as a percentage of GDP will exceed 20 percent by 2021. Even if all the bipartisan tax relief contained in the 2001 and 2003 tax acts is extended, revenues as a percent of GDP will increase to 18.4 percent.

So I ask the question: With taxes already going higher than where they have historically been, should we raise them even more?

For me, the answer is no.

I know that most Utahns would agree, I believe most people in this country would agree, and I suspect that even most Democrats would as well. They certainly would if President Obama and the liberals who pose as advocates for the middle class came clean about just how high taxes on working families would have to go to pay for the hard core left's preferred level of government. The numbers do not lie.

The deficit is a symptom of out-of-control spending that has grown dramatically in recent years and is reaching crisis levels.

It is not a result of too little in taxes. Democrats can close all the loopholes they want, and it still won't balance the books.

And the Democrats who are talking about the need to close loopholes and eliminate spending through the Tax Code need to be asked which middle class tax relief they want to get rid of as part of their deficit reduction plan.

Do they want to get rid of the charitable deduction or maybe the mortgage interest deduction?

Maybe they want to go after people's 401(k)s or IRAs or 529s.

What is it going to be?

Let me say something here. I am very concerned about where we are going. We have risen this year to 25.3 percent of GDP in spending. The last time we hit that figure was in 1945 at the height of the Second World War, when the government was taking over almost everything to keep us from losing that war. It is certainly over 23 percent right now. What is it going to be?

At a press event tantrum last week, the President answered absolutely none of these questions. He needs to. He needs to get serious about cutting spending.

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. HATCH. 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. HATCH. Mr. President, I ask unanimous consent that the division of time under the quorum call be divided equally.

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

Mr. HATCH. 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. BOOZMAN. 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. BOOZMAN. Mr. President, it has been almost 800 days since the Senate Democratic majority produced a budget. I do not expect one to appear from the majority today, but at least the Democratic majority canceled the Fourth of July recess to work toward an agreement to deal with our budgetary crisis. With the possibility of default looming, our caucus, led by Senator SESSIONS, has been pushing the Democratic majority to keep the Chamber working over the recent recesses. After refusing past calls to remain in session, the Democratic majority finally recognized that we cannot sort this out if we are not here to focus on it. I, for one, am glad the Democratic majority listened.

The American people deserve an honest and open conversation about the very difficult situation we are in. More importantly, they deserve a commitment that we will work in good faith to end this impasse. Unfortunately, I am not sure we will get that from the Democratic majority or the President. We are in session this week specifically to deal with the budget ceiling crisis, and the only vote the majority leader had scheduled from the outset was a resolution on the Libya conflict. I say ''had'' because the Democratic majority rightly canceled that vote after intense pressure from our side to keep the Senate focused on the debt ceiling issue.

President Obama has been absent from this debate for months. Only recently he started showing up to tell Americans that his solution to the crisis is raising taxes instead of cutting spending. Meanwhile, we have inched closer and closer toward defaulting on our obligations.

It is interesting that we are here today specifically to work out a solution to our financial crisis 1 week after scenes of Athens on fire as a result of rioting over Greece's own debt crisis dominated the airwaves. One week after passing tough austerity measures to secure further financial aid—the very same measures that sparked the rioting—the Greek Government is far from out of the woods. Standard & Poor's says the proposals for restructuring Greek debt would effectively constitute a default instead of helping the country avoid one.

I mention all of this not to generate fear but, rather, to shed light on the gravity of our situation. We could very well end up like Greece if we do not handle this crisis properly. This is the last thing we want to experience in our great country, and that is why we need to reform our fiscal policy in the way that we have done business in the past. There is too much at stake not to take action now. We are at the point where our Nation can no longer borrow money. The IMF has harsh words for our soaring budget deficits, and credit rating agencies such as Moody's and S&P have threatened to downgrade our government's AAA rating.

President Obama likes to blame our economic mess on the previous administration, but the reality is that over the past 2 years, our debt has increased 35 percent under his watch. That is not the previous administration's fault, nor is it their fault that the annual deficit is now three times greater than the highest deficit during the Bush years. If American families ran their households like Washington runs its budget, the utilities would be shut off and the collection agencies would be knocking on their doors. If they maxed

out a credit card, they wouldn't have the luxury of telling someone else to pay their bills. Yet this is what the President is demanding by sticking to tax increase proposals.

I said this last week, but since the President continues to push tax increases as the answer, I will say it again: President Obama, take tax hikes off the table. We got into this mess by excessively spending. We can't fix the problem unless we stop excessively spending.

The White House remains focused on tax hikes. If we look at their agenda, we can see why. The big-ticket items they have already passed, specifically the President's stimulus and health care bills, have put our country on the path of unprecedented levels of spending that will keep us in the red for my lifetime, my children's lives, and well beyond. The administration's refusal to cut excessive spending, much of which the Nation never asked for, will put us on the course for a Greek-like catastrophe. Without action, annual interest payments on the national debt alone will exceed 40 percent of GDP by 2080.

So with that in mind, the President is working behind closed doors with his allies in Congress to figure out ways to raise revenue. As we all know, revenue is a Washington euphemism for taxes. Instead of further exasperating our economy by raising taxes and putting us in a position that will affect our recovery and our Nation's future, the solution must be tailored to the problem. Washington does not have a revenue problem; we have a spending problem. Any proposal that does not start in that truth should be taken off the table.

If the White House-engineered agreement for raising the debt ceiling does not include significant cuts and a spending cap mechanism, such as a balanced budget amendment, to prevent us from having to raise it again, then I can assure you they will not get my vote. Anything short of that is irresponsible. I know I am not alone in these demands. Many of my colleagues feel just as strongly and will not back down either. The President and the Senate Democratic majority need to understand we are committed to these principles because millions of Americans feel exactly the same as we do. We are here to do the people's work. Let's listen to them instead of trying to tell the people what is best for them.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN of Ohio. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

COLLECTIVE BARGAINING

Mr. BROWN of Ohio. Mr. President, we just went through the July 4 weekend celebrating our independence on July 4, 1776. On July 5, 76 years ago, something else happened that was very important in our country and very symbolic of what we stand for as a nation. I heard the Presiding Officer from Maryland talk a moment ago about the values we hold as a nation and how important it is to convey those values in everything we do in this body.

What happened on July 5, 1935, was President Roosevelt signed something called the National Labor Relations Act, and we know what came out of the National Labor Relations Act and the other reforms of that era, in addition to Social Security and the CCC and some other things, was the concept and the implementation of collective bargaining. Collective bargaining is a right the American people have to join voluntarily in a collective bargaining unit—generally a labor union—and negotiate on behalf of hundreds or thousands of fellow workers for wages, health care, pensions, vacation days, and other things.

I mentioned that because just late last week something remarkable happened in my State of Ohio. In Columbus, in response to the State legislature taking away those collective bargaining rights and a radical departure from 75 years of collective bargaining, national private sector success, and 30 years of Ohio collective bargaining for public employees' success, the legislature passed a radical act earlier this year to take away those collective bargaining rights for public employees. We know it is a direct assault on the middle class. We know it will mean a declining and shrinking middle class. We know the biggest threat to this country today, to our economy, to our country, and to our country's families is that the middle class is shrinking and the middle class is declining. I call them radicals because it is a direct hit, a direct violation of what we stand for as a nation: the right to organize and bargain collectively and voluntarily.

We have seen these public employees—and who knows what is next—have those rights taken away. We know what will be next: prevailing wage, the right to work—all the kinds of things that procorporate conservative politicians have tried to do for some years. We basically had a consensus in this country. We had a consensus on Medicare, a consensus around minimum wage, a consensus about safe drinking water and clean air, a consensus about collective bargaining rights on which 80 percent, 90 percent of the country agreed. We had disagreements around the edges on the environment or safe drinking water, Medicare, but by and large there was a consensus on what we did here. What we saw earlier this year in Ohio was an assault directly on those values. They are going after collective bargaining rights.

In another piece of legislation they are going after voter rights. In another piece of legislation they are going after women's rights. In Washington they are going after Medicare.

Let me go back to collective bargaining. What happened last week is something remarkable. In Ohio, unlike many States, after a bill passes and becomes law and is signed by the Governor, there are 90 days to gather signatures. I believe in Ohio's case 250,000 signatures are needed to place on the ballot a referendum. In other words, if this goes on the ballot, the voters have a chance to repeal that bill.

When the radicals in the legislature took away collective bargaining rights and the Republican Governor signed it, a group of Ohio citizens put on the ballot a repeal of taking away collective bargaining rights. They needed about 250,000 signatures. You know how many they had? They submitted last week 1.3 million signatures. Mr. President, 1.3 million people signed saying: We want this to go on the ballot to repeal this radical measure of the State legislature Republicans. No Democrats in either House voted for this to repeal what they were doing. That's 1.3 million signatures.

In fact, they brought a truckload of boxes of signatures. In the Office of the Secretary of State they had to send in a structural engineer, literally, to make sure the floor—I think it is on the 14th floor—could support the weight of these 1.3 million signatures.

I note Senator CARDIN and Senator WHITEHOUSE, when they come to the floor, oftentimes talk about the overreach, the radical nature of what conservative far-right politicians are doing in this country right now. The overreach, going after bargaining rights, going after Medicare, going after minimum wage, putting tax breaks—tax breaks are really earmarks for the rich in the Tax Code—all of these kinds of things they are trying to do are unravelling so much of what we fought for as a nation for so many years.

The good news in Ohio this week: 1.3 million people said they have had enough. We are not going to stand for this. We are not going to tolerate this radical overreach that Governor Kasich and legislators are doing in Columbus and House Republicans and far too many Members of the Senate are doing in this body. That is good news. I think we move forward from there.

I yield the floor.

The PRESIDING OFFICER (Mr. MERKLEY). The Senator from Maryland is recognized.

Mr. CARDIN. Mr. President, let me thank the senior Senator from Ohio, Mr. BROWN, for his leadership for working families. We were colleagues in the House of Representatives and there was no more effective voice on behalf of working families than Congressman BROWN, now Senator BROWN. I just want to thank him for bringing these issues to our attention.

He is absolutely right, there has been an all-out assault on the dignity of

working families in this country at all levels. I will talk a little bit about the budget deliberations because I believe here, also, we find an assault on the middle-income families. As President Kennedy said, ''to govern is to choose.'' We have never had a clearer choice of two different visions of America.

I wish to talk a little bit about that because I know we are all working hard to reach a fair compromise, and I am one of those who believe the final agreement will not be what the Democrats want or what the Republicans want. We will have to do a compromise. But I think the people of this Nation need to know the types of choices we are making here in Washington.

I see the Republicans—and I have heard some of the speeches that were recently given on the floor—are really trying to protect the very wealthy, the millionaires. In the Republican budget, millionaires would get another $200,000 of tax cuts, where at the same time that budget would cost our seniors, who live on fixed incomes, an extra $6,000 a year in health care costs if their plan on Medicare were to become law.

Those are the types of choices we are being asked to make here, being asked to continue the gas subsidies—the tax subsidies for the five biggest oil companies in this country. That is what the Republican budget would protect. They would protect those tax breaks. Let me remind you that those five companies in the last decade made $1 trillion in profits, that during the time we saw escalating gas prices here and our economy being hurt by it, people could not afford to fill up their gas tanks. Yet at the same time those five oil companies had record profits. So we say: Let's take away the government subsidies. Yet the choice for our Republican friends is to say: No, we can't do that. Instead, they look at cutting nutrition programs and Pell grants to make it more expensive for children to be able to go to college or nutrition programs to try to have a healthier America.

Well, what we are pushing for is a balanced approach in how we deal with this budget deficit. We could talk a long time about how we got here, the policies of the previous administration. Just 10 years ago, we had these large surpluses. The previous administration cut taxes not once but twice, the second time using the credit card in order to pay for those tax cuts, went to war not in one country but in two countries and used the credit card in order to pay for those wars, and are wondering why we have all this debt today.

Well, it is our responsibility to take care of this deficit because this deficit is affecting the strength of America. We know we need to have a balanced approach in order to do it. I, along with the Presiding Officer, am a member of the Budget Committee. We are working hard on the Budget Committee to come up with a way we can deal with it.The Democrats on that committee are united that there is a better way than the Republican budget that came over from the House of Representatives.

Let me talk a little bit about whether this is class warfare. I have heard that mentioned many times. This might surprise you. I might agree with my Republican friends. I think the Republican budget is an attack on class. The Center on Budget and Policy Priorities said the Republican budget ''would produce the largest redistribution of income from the bottom to the top in modern U.S. history.'' We are asking the poor and working families to contribute so the wealthy can get more tax breaks. That is just wrong.

What we want to see is a balanced approach, an approach that says: Look, this deficit is very serious. We have to ask and save money wherever we can to balance the Federal budget. It starts by looking at our domestic spending. We have been willing to say: Look, for programs that are not high-priority programs, we have to cut back on them. Programs that are not working we are going to have to eliminate. Let's get rid of duplicate programs.

We say we are prepared to do that. But you also have to look at the nondomestic programs—our military programs and security programs. We know we are in the process now of bringing our combat troops home from Afghanistan. That can produce savings. Let's use that to reduce the budget deficit. There are ways we can get this deficit down.

I was listening to one of my colleagues on the other side of the aisle talk about the so-called tax expenditures. Let me put this in context for one moment. Our Tax Code spends about $1.4 trillion a year in special provisions to give special breaks to different taxpayers. I think none of us are saying all of those should be eliminated. What we are saying is, when you find tax loopholes, when you find shelters, when you find tax havens, let's get rid of them.

I have taken to the floor to talk about two areas where I think there is broad consensus. The ethanol subsidy—we do not need it any longer. It is questionable whether we ever needed it. The industry will do just fine without the subsidy. But let me tell you what the subsidy causes. It causes my poultry farmers in Maryland to pay a lot more for their corn, costing jobs in Maryland. So there is a tax subsidy we can get rid of. We had a vote on the floor, and it was quite obvious that the overwhelming majority agrees with that. Why can't we use that for deficit reduction?

We talked about the gas industry. Why are we giving them subsidies? There is no need for them. So we can take those tax shelters, we can take those tax havens, and we can take those loopholes and use that.

And, yes, I think there is a question as to why millionaires are going to continue to get a tax cut that was meant to be temporary in nature when we need as much revenue as we can get to pay off our bills. I think there is an issue here as to whether that is fair. How do we tell students they have to pay more for college, how do we tell families that fewer will be able to go to Head Start, how do we tell our seniors they have to pay more and yet we tell the millionaires they are going to get additional tax cuts? That is not fair, and it does not make good sense for our economy.

There is a better way. I know my colleague from Rhode Island will speak next. He also serves on the Budget Committee. We Democrats have a better way of doing this. We know how we can reduce the budget deficit by even more than the Simpson-Bowles deficit commission proposed, where we can bring in the deficit and bring it under control to make it a reasonable amount of our economy rather than uncontrolled, as it is today. We can do that by bringing in not just domestic spending but also our defense spending in order to reduce spending more in this country.

We can do that, and we can do it in a way that protects the integrity of Medicare. We do not want our seniors at the risk of private insurance companies. We do not want private insurance companies telling our seniors when they can get care and when they cannot. We tried that before we created Medicare, and we know the problems that were created by that. So in our budget, we want to protect the integrity of Social Security and Medicare and the programs that are critically important to our seniors.

We will close the tax loopholes. We will eliminate shelters. We will make sure everybody is part of the solution. We can do it in a way that will help build this great Nation.

Let me tell you what our objectives are, quite frankly. Our objectives are to manage our deficit, bring it down, bring it under control in a real way, to protect those who are most vulnerable in our country, and to invest in America's future so we can create more jobs, so we can continue to build our roads and our bridges, our water systems, so we can continue to invest in education, and, yes, so we can protect our Federal workforce and pay them decent salaries and compensation benefits. We can do all that. But if we are going to get the job done, Democrats and Republicans have to be honest in their debate and their compromise. It will not be what one side wants. We are going to have to compromise for the good of the American people.

I took the time today to share with the people of Maryland and the Nation where I believe our vision should be in regard to the budget of this Nation. I hope we are able to achieve those objectives because I really do believe our children's and grandchildren's future depends on us getting this right. If we work together, we can pass a budget that is in the best interests of the American people and will allow our economy to grow to create jobs, which

is the best answer to deal with our deficit.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I am honored to follow my distinguished colleague from Maryland in this discussion about our priorities as we address the debt limit we are approaching. I think Leader REID was wise to choose to cancel the scheduled Fourth of July recess so we could continue to work toward an agreement to prevent defaulting by the United States on our government debt and the financial consequences that would ensue here in America and around the world.

As we negotiate an end to this debt limit standoff, we also, obviously, have to address our looming budget deficits and our looming debt, which threaten to cripple our potential for economic growth in years to come. Where we are on this, of course, is that President Clinton put our budget on course to permanent surpluses. We would be a debt-free nation right now if the predictions the nonpartisan Congressional Budget Office had put in place when President Clinton left office had been kept. In fact, there were changes. President Bush and a Republican Congress squandered away those surpluses with unnecessary tax cuts and unwise spending increases. Our multitrillion-dollar deficits have resulted. We must now fix the budget and bring it back into balance.

So where are we in this standoff? Well, we need to cut spending. Democrats and Republicans agree on that. We need to protect ordinary families who enjoy ordinary levels of income from tax increases. Democrats and Republicans agree on that. The disagreement is whether we also need to raise some revenues in other areas to help balance the budget, areas such as oil and gas and ethanol subsidies, closing corporate tax loopholes, and putting an end to high-income tax-dodge schemes.

On that front, I rise in support of Leader REID's resolution calling for a deficit reduction package that includes a ''more meaningful contribution'' from millionaires and billionaires.

The Republicans are threatening that they would rather let this government default on its obligations than to what they call ''raise revenues'' by requiring the wealthy to pay their fair share. Just last week, Senate Republican leader MITCH MCCONNELL called on President Obama to take any raised revenues ''off the table'' and to balance the budget solely on spending cuts that affect the middle class and lower income families. In an opinion piece on cnn.com, Senator MCCONNELL proclaimed that ''tax hikes can't pass the Congress.''

Well, let's pull the curtain back and take a little glimpse behind it as to whom the Republicans are fighting so hard to protect.

As shown in this picture I have in the Chamber, here is a building in New York City on Park Avenue, the Helmsley Building. Because this building is large enough to have its very own ZIP Code, we know from actual IRS information—not projections, not guesses, not conclusions drawn from rates; from actual paid-in IRS information—that the wealthy and successful individuals and corporations that call this building home paid a 14.7-percent total Federal tax rate in the last year they have done the calculation, 2007. That is lower than the actual tax rate, on average, of the New York City janitor or doorman or security guard who would work in this building. It is upside down. The people who serve the occupants of this building pay a higher tax rate than the occupants of this majestic building. The tax gimmicks that let those occupants pay a lower rate than the people who take care of the doors and the cleaning and the security for them—that is what the Republicans are fighting to protect.

This problem is not just a fluke in the Helmsley Building. Each year, the Internal Revenue Service publishes a report that adds up all the taxes paid by the 400 highest income earning Americans. I spoke earlier this year—several times, actually—on last year's report, which included data from 2007, like the same year as for the Helmsley Building. In that year, these super-high-income earners, making, on average, $⅓ billion, approximately—billion with a ''b''—paid a lower tax rate in 2007—the 400 of them did, on average—than an average hospital orderly who is a single payer pushing a cart down the halls of a Rhode Island hospital at night.

In May, the IRS published updated data on the top 400 income earners for 2008. Let's take a look at the status of the top 400 earners in that more recent year. Well, they are down from $⅓ billion, on average, to over $¼ billion each. Certainly we can applaud that kind of success in America. That is definitely the American dream come true. But, on average, they paid an average tax rate of 18.2 percent. That is what they actually paid. That is what they put into the IRS. Once you get through all the tax dodges, all the different schemes, all the different deductions, all the different rates, when you actually put the pen to the paper at the bottom line, it is 18.2 percent.

We spent a lot of time around here debating whether the top income tax rate should be 35 percent or 39.6 percent. Folks, that is not what they are paying. The Tax Code is so filled with special provisions that tend to exclusively or disproportionately benefit the wealthy that the highest 400 income earners, earning more than $¼ billion in 1 year, paid an average tax rate of 18.2 percent.

This means that the 400 highest earning individuals in the Nation, in 2008, paid the same effective tax rate as a truckdriver in Rhode Island. According to the Bureau of Labor Statistics, on average, an ordinary truckdriver earns $40,200, which is about the place in the Tax Code, on the way up, where you first hit paying 18.2 percent of your income in taxes.

So what the Republicans are asking as part of the debt limit compromise is that we cut employment and job training support now, at a time of record joblessness, while they continue to fight to make sure that people making a quarter of a billion dollars a year pay lower Federal tax rates than average middle-class families.

Here is another building that has a little story to tell. This is a building called Ugland House. It is over in the Cayman Islands. This building does not look like much. It is pretty nondescript. But over 18,000 corporations claim to be doing business out of this building—18,000 out of that little building. Clearly what is going on is that those corporations are hiding through shell companies, phony corporate identities that they and wealthy taxpayers use to hide assets and play tax games with the IRS.

This kind of mischief down in the Cayman Islands and elsewhere through these tax dodges is estimated to cost us as much as $100 billion every year. As part of a debt limit compromise, the Republicans are asking us to cut America's investments in science, cut America's investments in technology at the same time they are fighting to protect corporations that hide in offshore tax havens so that the honest American taxpayer has to pick up the burden for them. That is what they are fighting for when you pull back the curtain.

When all is said and done, everyone, Democrat and Republican, agrees that there needs to be cuts. And everyone, Republican and Democrat, agrees there should be no tax increases on ordinary middle-class families. Those concerns are not at issue. Where is the dispute? What is the blockade? Again, pull back the curtain and you will see that the Republicans are willing to let us as a nation default for the first time in our history on our debt, which would devastate our economy, all to defend tax rates for millionaires and billionaires that are lower than those paid by regular hardworking Americans; all to defend offshore tax havens that are used to evade taxes while ordinary families are expected to pay their taxes; all to defend corporate and special interest tax loopholes, earmarks for the wealthy and well-connected. That is where they have chosen to stand their ground. That is where they have chosen to pick a fight.

As our Nation rushes toward the August 2 deadline and the agreement deadline before August 2 when we must have something in place in order to get the President's signature on a bill by August 2—as we rush toward that, as the world's economy and America's economy are imperiled by the threat of our debt limit not being lifted, what are they fighting for? That is what they are fighting for, for the super-privileged, for the super well-connected, for the tax dodges they take

advantage of, and for the lower rates the superrich pay compared to the rest of all of us. Those are the interests that Republicans are protecting when they reject any revenue increases to bring down our unsustainable deficit. They say it is tax increases they are against. Well, the answer to that should be Americans asking the question back: Tax increases for who? Because if it is tax increases for the guy who is making a quarter of a billion dollars, and is paying a lower tax rate than a truckdriver, that is okay with me. That is a tax dodge we can get rid of. If it is a tax increase for a company that is going to hide in this building in the Cayman Islands to shelter its incomes so that Rhode Island corporations and Oregon corporations, American corporations have to make up the difference—American taxpayers have to make up the difference, and they cannot hide their income down there any longer, that is a tax increase I can live with. I do not think that is what ordinary Americans have in mind when they say we do not want tax increases. They mean we do not want our rates to go up. But ordinary Americans know that our Tax Code is filled, riddled with gimmicks and tricks and loopholes and deductions that have been put in it over the years by lobbyists. They are earmarks, they just happen to be earmarks in the Tax Code. They spend America's money through the Tax Code just as much as if it were an appropriation.

But what is the big difference? The big difference is it takes being a very wealthy individual or a very big corporation to be able to take advantage of those tricks, to be able to hire a lobbyist who can build that trick into the Tax Code, and to have the revenues and the resources to be able to maneuver through the Tax Code in that way. Ordinary Americans do not do that.

You can ask pretty much anybody in Rhode Island, show them the thousands of pages of the Internal Revenue Code and ask them: Who has a special provision in it for you? Nobody does. They are regular Americans. They pay regular taxes. They do things the way they are supposed to be done. The gimmicks and the tricks are all at the upper end, and it is time to clean house, particularly now when we so badly need the revenues to balance our budget.

It is simply inexcusable that our tax system permits billionaires to pay lower tax rates than truckdrivers, that it allows the wealthy to avoid taxes by hiding assets in phony offshore corporations. Even if we had no budget deficit, just being fair, honoring the principle of equality would demand that we address these inexcusable discrepancies that favor the wealthy and the well-connected. Our budget crisis, however, brings real urgency to the problem. So as we continue to work to avoid a debt default by the United States of America and to bring down our budget deficits and to reduce our crippling national debt, I hope Senator MCCONNELL and the Republican Conference will revisit the potential to significantly cut the deficit by addressing tax loopholes, tax gimmicks and, frankly, outright injustice to the ordinary American taxpayer that they are now defending here in the Senate.

I see the distinguished Senator from Alabama arriving.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I understand that President Obama has summoned certain congressional leaders to the White House tomorrow to discuss spending, debt and deficits, and the debt limit we now operate under. The President has summoned congressional leaders to the White House on at least eight different occasions in recent weeks to discuss budget and debt issues, not including the private talks involving Vice President BIDEN.

Yet with only weeks to go before the debt limit deadline—we are told August 2—secret discussions have failed to produce any grand bargain. Talk is not an action. I do think that is a problem the President has. He thinks making a speech or having an announcement is something that actually involves changing course in America and it has some effect, when it is pretty clear it does not.

We have had lots of talks and we have heard lots of speeches, so I think we should stop paying attention to these private talks, from which no details emerge and no public discussion is heard. We are getting much too close to the point at which it will be too late to involve the public and allow Congress to fulfill its constitutional duty on spending and taxes.

In remarks yesterday, the President said, ''To truly solve our debt problem, we need to take on spending and domestic programs and defense programs and entitlement programs.'' Well, I agree. Yet the only plan he has put forward proposed increases in his spending for next year in the budget he submitted. He submitted a budget earlier this year. He made a speech backing away from it a little bit but not a lot, because his speech, when we carefully tried to study it, did not do much to change what the trajectory is in his budget.

But this is what the budget calls for next year that we are supposed to be working on now and are not. This budget proposes to increase spending in 2012, beginning October 1, 2012—well, the inflation rate is projected to be 1.3 percent. It may be a little higher than that. Defense called for a 4.3-percent increase in spending. The Energy Department called for an 8.9-percent increase in spending, that big bureaucracy that is trying to make sure we block production of American energy. It proposes for the State Department a 9.3-percent increase in spending, and the Education Department a 13-percent increase in spending, at a time this country is in incredibly difficult straits. We are having double-digit increases.

Then in the Transportation Department, he proposes a 62.4-percent increase. Do we really need to have high-speed rail within walking distance of 80 percent of all Americans? We do not have the money to do that. Most of the high-speed rails are not working—are not paying for themselves around the world. They can work in certain highly congested areas in good locations, perhaps. This idea that we are going to have a massive national interlocking system of maybe $700 billion of high-speed rail is not realistic in the short term. But his budget called for a 62-percent increase.

We asked where the money would come from. They said it is a tax.

What kind of tax?

Well, it is not a gas tax.

So I called it the ''not gas tax tax.'' What tax then do you propose, Mr. Secretary, before the Budget Committee?

Well, we will talk with Congress about that.

Well, the Congressional Budget Office, which is required to analyze expenditures against revenues, said that is not a proposal of revenue, and they scored that as all expenditures without any revenue, because we are not going to pass a big tax to increase this kind of spending. Give me a break. If we do, we ought to use some of the money to pay down the debt, not continue to surge spending in this fashion.

I wish again to point out that President Bush in his last year in office had the largest deficit I believe the country had had in recent modern times. The largest he had was $450 billion. That was large. It was roundly criticized. It included a lot of the TARP money that they threw in at the last minute.

But what about President Obama's first year? That was $1.2 trillion in deficit. The second year: $1.3 billion. And this year, it is projected around $1.5 trillion, going into 2011, ending September 30. Then September 12, he has got these kinds of increases. What kind of responsible behavior is that? For the President of the United States to say that we need to truly solve our deficit problems, we need to take on spending in domestic programs and defense programs and entitlement programs, and this is what we get as a proposal, to increase spending at double-digit rates, basically. I mean what is this? There is no proposal whatsoever to deal with entitlements. Those long-term unsustainable programs threaten the future of our country economically. Indeed, we are in more trouble right now than a lot of people realize from our debt situation.

So the only plan the President put forward, as I said, is increasing these expenditures and not confronting entitlement programs at all. And when the House Members passed a far-reaching, historic, honest, fact-based budget that would have actually changed the debt trajectory of our country over a period

of years, it was considered to be tough, but even it did not balance within 10 years.

We are in a deep hole. It is hard to balance this budget. The House proposed that and they laid out a plan, after 10 years, altering Medicare so that it would help put Medicare back on a sound basis. All of it was slammed by the President of the United States. He even had a speech at the White House and invited Congressman RYAN, who is the brilliant chairman of the House Budget Committee, and had him sit right in front of him, and then he slammed his bill. Congressman RYAN had courage and integrity and he produced an honest budget that would have made a difference for America. Would we have agreed with everything in it? Of course not. But he didn't deserve to be hammered by the President of the United States.

To begin to change the debt trajectory we are on, we need to cut at least $6 trillion of spending over 10 years. That is not enough, but we need to do that. If we do that, it will make a huge difference. Just $1.5 trillion or $2 trillion in cuts will not be enough. It will not be enough. The President's budget, which he submitted in December—the only budget we have gotten from the Democratic side—would increase the debt by $13 trillion, and $2 trillion in spending cuts is not enough.

We are long past the point when the President needs to share his vision with the country and admit that he cannot keep up this spending rate. His budget was a failure to confront the reality that we don't have the money to keep up unsustainable spending.

According to Bloomberg News, Democratic officials claim that a deal will have to be reached between July 15 and July 22 ''in order to write a bill and comply with congressional rules requiring advance publication before consideration.'' In other words, we have as little as 3 days to see the legislation.

I have proposed legislation that says we ought to have 7 days to consider this historic piece of legislation that would raise the debt ceiling. We want to see how much change in spending the bill would mandate. In other words, if we are going to raise the debt ceiling, because we have limited how much debt America can approve—Congress has—and to keep borrowing—we are borrowing 40 cents of every dollar we spend—if we keep borrowing, we have to raise it. What we, and the American people, are saying is we don't like raising it, but if we do, you better show us that you have changed your ways and you are not continuing this reckless spending, when we don't have the money.

Every bit of that increase is borrowed. We can't continue that. I truly believe that Congress needs to assert its role, step up and accept responsibility for the crisis we are in and begin to develop the procedures openly and publicly and get us out of this fix.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. Mr. President, I rise today to speak about the daunting fiscal challenges our country faces and the urgent need for comprehensive bipartisan action to address our Nation's debt.

As we debate the path to securing our country's fiscal future, Greece is battling to keep from defaulting on its bonds. It is in the news. There are legitimate concerns that a default in Greece would send shock waves through the world financial markets, with an impact potentially as devastating as the 2008 collapse of Lehman Brothers.

To avert bankruptcy, Greece has enacted austerity measures so drastic that violent rioting has broken out in its streets. Despite these measures, and despite the aid of other European countries, many economists believe Greece will eventually succumb to its rising debt burden and default. Standard & Poors warned Monday that even with the planned bailout by European banks, Greece's credit rating could be still downgraded to ''selective default.'' While better than a full-blown default, this will almost certainly roil the markets and cut off Greece's access to credit.

Alarmingly, Standard & Poor's gave a similar warning to the United States last week. In a statement to Reuters, Standard & Poors said it would drop the United States triple A rating to ''selective default'' if the Treasury Department misses its repayment on $30 billion in maturing bills on August 4.

Although our long-term fiscal challenges are serious, they are not what caused Standard & Poor's to issue this warning at this very moment. Instead, what caused the warning was a growing concern that the Congress would fail to come together to pass a bipartisan deal on the debt ceiling—something Congress has done without incident almost 100 times since the limit was established.

We must get serious about tackling the deficit and putting our country back on sound fiscal ground. But the problem we are facing now is not only a crisis of the dollars and the cents, it is also a crisis of the divide and the deadlock.

We know what we need to do in order to avoid default and bring down the deficit. We have all the tools and information necessary to do it and avoid a situation such as we are seeing in Greece. Yet instead of working together to craft a fair and responsible path forward, some have chosen to draw lines in the sand and take the debt limit—and our Nation's economy—hostage.

Addressing our country's fiscal challenges is something I have taken seriously. Since coming to the Senate, I have worked to reform the way Congress conducts its own business—reducing the budget of Congress, fighting for appropriations project reform, and working to restore the pay-as-you-go rule. I was one of a handful of Senators who fought for the creation of the fiscal commission, and I have supported efforts from both Republicans and Democrats to responsibly reduce the deficit.

While I believe we have reached a defining moment as a country which should not be wasted, I also know we can't afford to play Russian roulette with our economy.

What our country needs is for Congress to come together and build consensus around a comprehensive long-term deficit reduction package that will put us on the track to prosperity.

Ever since the economic downturn, families across the country have huddled around the kitchen table, making tough choices about what they hold most dear and what they can learn to live without. They expect and deserve their leaders to do the same. The American people are counting on us to put politics aside, pull together, not pull apart, and agree on a plan to live within our means and make America strong for the long haul.

If we are going to succeed in this challenge, we will ultimately have to accept things that we don't necessarily agree with. It is the only way to develop a plan that is both balanced and comprehensive.

We already know much of what will need to be done. Our failure to act has not been because we lack solutions, but because too often Congress has lacked the political will to get behind a consensus proposal. After months of debate, it is clear what sort of plan is needed to garner the support necessary to get us across the finish line.

First, a solution should match the scale of the problem. I want to see one that produces around $4 trillion in deficit reduction over the next decade.

Second, it should include a mix of revenue with realistic spending cuts. One example we are seeing right now is biofuels. The biofuels industry has been willing to put a big chunk of change on the table, right in the middle of the year, as we are working with Senators THUNE and FEINSTEIN on an agreement in which it would be a template, where one industry says, OK, we understand that we have a big problem, and we are willing to put money upfront for the debt. We are willing to look at what we need to do in the long term to have a secure energy policy, but also help with the debt and end this subsidy. We want to see oil do the same thing. We want to see a lot of these loopholes closed, a lot of these subsidies end, and do it in a smart way. The budget Senator CONRAD has been working on with the Budget Committee is an example of a mix of those revenues and spending cuts. That is what we have to look at.

Third, we must be able to achieve bipartisan support with a proposal, which is why I continue to support the work that has been done by the Gang of 6.

It is time we get serious about advancing a plan that is both fair and

achievable. On August 2, the borrowing authority of the United States will be exhausted. No one benefits if we are unable to reach an agreement by this deadline. Every day that passes without a deal only increases uncertainty in the markets and puts the brakes on economic activity. Failure to bring the national debt under control threatens America's future, but the danger of default threatens our economy today.

The way I see it, we have two options. We can either set a precedent of holding our debt hostage to political maneuvering, raising the cost of borrowing and increasing the deficit, or we can show the world that we are serious about addressing our fiscal challenges, reducing the cost of borrowing and strengthening our financial outlook. I believe the choice is clear.

The sooner we can agree on a long-term package, the better for our economy and our country. I hope we can put partisan differences aside to work on an agenda that strengthens our economy, promotes fiscal responsibility, and increases global competitiveness, because if we refuse to have an honest conversation about this, if we insist on using the debate as a vehicle for rhetoric only, we will not just be doing ourselves a disservice, we will be cheating our children and grandchildren out of knowing the America we grew up in. The deficit isn't going to fix itself. We all know that. We all know we can't close our eyes, click our heels, and wish the debt would go away.

In their report, the National Commission on Fiscal Responsibility wrote that ''every modest sacrifice we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation.'' They are right. The longer we wait, the more wrenching the choices become. Look at Greece. Who will be making those painful choices? Our children and our children's children.

None of us wants to see interest rates soar by playing Russian roulette with our economy. Democrats don't want it, Republicans don't want it. So what are we waiting for? It is time for Congress to step forward and show some leadership. It is time for us to work together to show the American people that Washington isn't broken, and that instead we are willing to put aside politics to do what we were elected to do—to do what is right for America.

This is our challenge, and it will be a hard challenge to meet. But I am confident we can come together to make these tough choices, to do what is right for our economy, and to renew the American promise of progress and opportunity for generations to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I rise to talk about the debt crisis our Nation is facing and how we can come together to fix it. We do talk about how we are putting this debt on our children and grandchildren. The time is on us right now. The bill is coming due.

We are facing the most predictable crisis in our Nation's history with our current financial situation. It is a problem we can all see and that we can all acknowledge must be fixed. Of course, acting is not as easy as talking. If it were that easy, we would not be so far in debt.

For some time, we have been talking about reining in spending and making sure that our grandchildren aren't saddled with the enormous debt our country is facing. Now we are facing the reality of reaching the debt ceiling—a cap that has increased to $14 trillion—that is trillion, with 12 zeros—more than $2 trillion over the previous debt limit of $12 trillion—a little over a year ago, in February of 2010.

We have raised the debt ceiling 74 times since 1962, and we have raised the limit 10 times since 2001. Listen to this. In the last 4 years, we have raised the debt ceiling five times. It is accelerating.

What does this tell us about our spending habits? The numbers don't lie. It tells us we have had to raise the debt ceiling to keep up with increased Federal spending. It tells us we have forgotten entirely how to live within our means, and that we need to make serious decisions about cutting Federal spending. We need to make those decisions now.

We have all been talking about it. Republicans have come to the Senate floor and talked about the country's financial future. They have talked about our debt, projections for the future, and agreed that this path is unsustainable.

Republican and Democratic administrations and Congresses for decades have continually increased Federal spending. No one party holds all the blame for the situation we are in, but clearly the road we are traveling on is leading to a crisis.

Last week, the President held a press conference where he lectured Republican Members of Congress. He told us we need to stay in Washington to get things done. After listening to his press conference, we invited the President to meet with Senate Republicans. We hoped to explain to the President that the political reality makes it so that a bill containing tax increases cannot pass the House or the Senate. After lecturing us about the need to be in Washington and the need to get our work done, one would assume the President would take us up on our offer to meet. Instead, his spokesperson said meeting with Senate Republicans was ''not a conversation worth having.'' Rather than staying in Washington to work on the debt and deficit, the President chose to fly to a fundraiser in Philadelphia.

Republicans have been engaged in efforts to fix the debt and deficit since the election last fall. House Republicans passed a serious budget that would cut $6.2 trillion over the next decade—not enough but substantial. After demagoging the Ryan budget as an effort to kill Medicare and push grandma off the cliff, Senate Democrats have yet to bring any budget to the floor.

I heard just a few minutes ago that one is being considered, but it is being considered in a very partisan way, and I don't know if we will get to see it before it comes to the floor. But we have gone 800 days without passing any sort of budget. Even though the media reported that Senate Democrats have reached a budget agreement, they still haven't brought the budget to the floor or shared it with Republicans. Why? I can only assume it is because it includes trillions of dollars in tax increases that would be unpalatable to the majority of Americans.

The President presented a budget and we voted on that budget. In fact, it was voted on 0 to 97. The President couldn't get a single vote for his budget. I didn't see that in many headlines, but it happened. Check on it.

While Democrats continue to ignore the problem, Republicans look for solutions. All 47 Senate Republicans have signed on as cosponsors of a constitutional amendment to balance the budget. Senator TOOMEY and Senator PAUL put forward their own budget efforts that would balance the budget. I have introduced legislation that creates 2-year budgeting and other legislation that would reduce spending by 1 percent each year for 7 years until we balance the budget. If Congress can't reduce spending by a single percentage point each year, it basically has given up and decided to leave this huge and growing pile of debt to tower over our children and our grandchildren and us, casting a grand shadow over their future and ours.

I remember a hearing we had in the Finance Committee and pretty much what everybody said was: Quit digging. You are in a big hole, quit digging. Phil Gramm talked on taxes and said: Don't penalize America with a tax every time Congress fails to do its job, which is to balance the budget, to spend reasonably. Failure on Congress's part doesn't warrant taxing Americans.

So where do we go from here? Republicans are ready to work, but we need Democrats to work with us. We need the President to take a realistic look at the situation and realize that tax increases are not the answer because the votes aren't there to pass a tax increase. We need to come up with a solution to the budget crisis we face and we need to do it now.

If we are serious about fixing the problem—and I believe many of us are—we have to come to the table willing to work. We have to stop pointing fingers. We have to stop playing political games. We have to stop demagoging ideas that are proposed. We need the President to step to the plate and explain to the American people the problem we face if we don't get our debt and deficit under control and

then give the solutions, not just tax raises.

The President is the only person in the Nation who has the bully pulpit necessary to teach the American people what happens if we don't get a budget and don't get timely appropriations. The President talked about some of the taxes he would increase. The deficit commission suggested those taxes could be used, but they suggested they should be used to lower company rates so we can compete internationally, which would increase revenues. They didn't suggest they should be used to pay for new programs, and they are not even being suggested to reduce the deficit.

Rather than taking the lead in selling the plan, the President has tried to stay above the fray and instead spent his time criticizing Republicans who have come up with a variety of plans. That isn't productive, it isn't helpful, and it will not lead to a deal. We need to end the finger-pointing and show the plan. Show us the plan. Bipartisanship is not about compromise, it is about what we leave out or finding an alternate way to accomplish a mutually agreeable way.

I know it works. I have seen it happen. The late Senator Ted Kennedy and I were able to put this theory into practice when we worked together on the Health, Education, Labor, and Pensions Committee. He and I came from opposite sides on most issues, but we chose to focus our time and energy on what we knew we could get done. It amazed people, but we sure got results. All in all, when Senator Kennedy and I led the HELP Committee, we got 35 bills reported out of committee and 27 signed into law.

These kinds of results are possible today, but we have to get to work. We can't keep raising the debt ceiling. We can't tax more every time we have a good idea. We have to address the spending problem in Washington, and we have to figure out some solutions to correct our long-term budget outlook. These aren't easy issues to address, but we have been sent to do a job, and that job includes rolling up our sleeves and finding a way out of the mess.

We are here through this July recess, but we are still not doing anything that is proactive or productive. The Democrats are in the Senate majority. They control the floor. Yesterday, we did a nothing vote to see if everybody was back. We will not vote until tomorrow now, and it is just a political ploy put up by the leader. It is messaging, and messaging will not pay the bills. Let's get something done in this session.

I yield the floor.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from Massachusetts.

Mr. KERRY. Madam President, what is the order at this point?

The PRESIDING OFFICER. The Senate is on the motion to proceed to S. 1323 until 6 o'clock, with Senators permitted to speak for 10 minutes.

Mr. KERRY. Madam President, I ask unanimous consent that I be able to proceed for 30 minutes.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

Mr. KERRY. I thank the Chair.

Madam President, I listened to my colleague just now and I have listened to colleagues over the last weeks and there are a lot of crocodile tears being shed on the floor of the Senate about why we are not doing something, all of which completely ignores the fact that everything we try to do, the folks on that side of the aisle make us take longer and longer and longer than we have ever taken before because they push every single procedural objection possible. Even the most routine thing we try to do on the floor of the Senate requires 60 votes or requires a motion to proceed. The most perfunctory, simple thing requires us to go through every procedural hoop and parliamentary process because they have persistently pursued a strategy aimed at gridlock.

The idea is to make Americans see the dysfunction and then blame it on the party in power and run against them. It is the most cynical, craven, and dangerous policy I have ever seen in the 27 years I have been in the Senate, and I regret it for our country.

There is a reason Democrats are standing, as a matter of principle, against the Ryan budget and against the proposals our Republican friends keep proposing. That is because they are the only party who have consistently stood and said: We are not going to consider everything. We are just going to give you a tiny, little menu, and you have to balance the budget out of spending cuts only. That is all that is in their budget. The only thing in their budget is spending cuts. Twelve percent of the entire budget is all they have put on the table in order to try to do something responsible about the deficit of our country.

We, on the other hand, have consistently said: We will put everything on the table—everything—Medicare, Medicaid, reforms—not benefits. We are not going to cut the benefits on people because we don't have to in order to deal with this problem, but we can reform them. We can certainly be more effective and efficient, and we are prepared to do that. There are a lot of other things we are prepared to do—defense spending, wars, and a whole series of things.

Last week, one of our newest colleagues made a very interesting and I thought revealing observation. The Senator from Delaware, CHRIS COONS, who balanced budgets in county government, who took cases all the way to the Supreme Court, who has seen decisions made in the business world as well as in the nonprofit world and who is an enormously capable person but new to the Senate, made the observation that some people are actually looking into the language of the 14th amendment and the debt limit in order to learn whether ''there might be some way to save us from ourselves.''

That observation brought home to me how absurd this place must look right now, not just to a new Senator who came here with hopes of getting the business of our Nation done but to the average American, to people who invest in the extraordinary mythology that surrounds this great institution we are all a part of—the greatest deliberative body in the world. We can laugh at that one today. There is an absence of deliberation—a great absence of deliberation—and I think a lot of people are alarmed by the dysfunction they see with respect to this great institution.

It is extraordinary when we have to look at the language of the Constitution to find possible ways to do what Congress and the Senate are supposed to do on their own—take tough votes, look at the tough issues, make tough decisions but, most importantly, do it in the interest of the United States, not in the interest of either party or of some ideology.

Here we are, less than 5 weeks from August 2, the day the U.S. Government will default on its obligations for the first time in its history, and Washington is still playing the same old political game—a dangerous game of chicken—with enormous consequences for our economy and our future in every respect—economic, social, and national security.

I hear this in my travels. Senator MCCAIN and I were in Egypt recently, and we had people turning to us and saying: Hey, how about you guys? Can you get your act together before you are telling everybody else what they ought to be doing with respect to their future?

You are promoting democracy. How is your democracy doing back there in the United States? Working out all right, right now?

Washington is stuck, and it is stuck because we have a few ideologues and some people outside of the U.S. Senate who cower our fellow colleagues with threats of primaries. People are going to run against them if they move off of the orthodoxy of extremism. The result is that nothing is happening. Fear has gripped the Senators who raised their right hand and said: I swear to uphold the Constitution of the United States.

Well, everyone here I think acknowledges that defaulting on our obligations would be disastrous for our country. Everyone here simultaneously says they don't want the default to happen. But here we are with a small minority holding the debt limit hostage to an ideological agenda, saying they will not consider an approach that most observers consider indispensable and reasonable in reaching an equitable solution to our crisis.

Frankly, the consequences of not doing something are not far off in the future. Every day that we are here not getting this decision made, we are

weakening our economy and we are making our government and, through it, our country look helpless and adrift. The fact is that it is already having consequences with respect to business decisions. Capital is holding back. Businesspeople are reluctant to invest, uncertain of what the budget of the United States is going to look like, uncertain of what kinds of signals we are going to send to the marketplace. Certainty. I keep hearing colleagues say we have to send certainty. But when they look at this chaotic debate, what kind of certainty could any businessperson possibly take from what is not happening in Washington today?

Our friends on the other side of the aisle say they want to create jobs, but Moody's chief economist, Mark Zandi, has said that hiring is only going to resume if we can get our act together and settle this debate, and the sooner, the better. At the beginning of the month, Moody's announced that it might downgrade our country's credit rating if Congress isn't able to come to an agreement by the middle of July. That is a week away. If that happens, I promise you our economic recovery is going to halt in its tracks. Maybe some people want that. I hope not. But today investors are looking at the scene here in Congress, and they are wondering if we are ever going to get it together. And the longer we wait to get serious, the higher the interest rates are going to move. That hurts everyone in America. Everyone who owns a home or runs a small business is going to be squeezed while Congress is in this ideological standoff.

I read David Brooks' column this morning in the New York Times, a brilliant column talking about the unreasonableness of taking things off the table in this discussion.

Recently, 235 economists, including 6 Nobel Prize winners, sent a letter to congressional leadership urging them to raise the debt limit immediately. Not doing so, they said, could have a substantial, negative impact on economic growth at a time when the economy looks a bit shaky, and, at worst case, it could push the United States back into recession. So are we going to listen to 235 economists, including 6 Nobel Prize winners, or are we going to be driven by this extremist position that does not allow for reasonable discussion about what ought to be on the table?

I think this is a dangerous and irresponsible moment in our country. Not raising the debt limit would result in a crisis potentially far more severe than the financial crisis of 2008 and 2009. The consequences would include any number of things, from increases in State and local government borrowing costs, increases in corporate borrowing costs, including mortgage interest, declines in equity prices and home values, declines in 401(k)s and other retirement savings, reductions in the willingness of investors here and around the world to invest in the United States, and job losses on a significant scale.

Now, as I have said, I don't believe that is going to happen. But the question is, Are we going to get a deal that hurts America or helps America? If we eat America's seed corn in this deal—by that, I mean don't invest in America's infrastructure, don't invest in education, don't invest in the research and development that is so critical to the creation of new jobs—if all we do is what the other folks in the House said we ought to do by just looking at 12 percent of the budget and cutting spending, if that is all we do, we will eat America's seed corn, and the next generation will pay the price. Without investing in our future, we could face an economic downslide unlike anything we have seen in recent memory.

In 1983, President Reagan wrote:

> Denigration of the full faith and credit of the United States would have substantial effects on the domestic financial markets and on the value of the dollar in exchange markets. The Nation can ill afford such a result.

Nearly 30 years later, we are facing that kind of incalculable damage.

The fact is, Chairman Bernanke and Secretary Geithner have already used extraordinary measures to try to keep the Nation from default and keep the economy moving.

Already, Treasury Secretary Geithner has used extraordinary measures to keep our Nation from default. And, these measures have bought us some time to deal with congressional negotiations, but it happens that some Republicans have proven themselves willing to sacrifice our Nation's economy in a misguided attempt to score political points. I know they will protest and say ''we're just trying to solve our debt crisis,'' but the truth is there is more than one way to do that not just their way and particularly not when that way can have disastrous consequences on the economy.

Federal Reserve Chairman Ben Bernanke says failing to raise the debt ceiling on time could cause ''severe disruptions'' in the markets. He said:

> We should avoid unnecessary actions or threats that risk shaking the confidence of investors in the ability and willingness of the U.S. government to pay its bills.

As of this moment, no one knows for sure how much time our financial markets will give Congress to come up with a solution before severe disruptions could occur. According to a J.P. Morgan analysis, the delay in raising the debt ceiling is likely to negatively impact markets, as investors undertake risk management actions in preparation for a potential Treasury default.

These effects could include immediate liquidity shortages as borrowers attempt to raise additional cash and increase the tenor of their borrowings, large auction concessions especially if Treasury were to postpone an auction, increases in open volatility that cover the June/July period, and general weaker demand for Treasury securities. As time goes on, failure to raise the debt ceiling could touch off a mini-financial panic, perhaps throwing the fragile economy back into recession.

If you don't believe me about moments like this, just look at our history and you don't have to look far. Just look back 3 years to September 2008, when Congress initially voted down Treasury Secretary Paulson's $700 billion plan to provide assistance to financial institutions. Investor confidence was brutally shaken and the Standard & Poor's 500-stock index plunged 8.8 percent that day.

If we do not act and act very soon indeed those who lend us resources will eventually demand higher interest rates. Government borrowing will crowd out private investment. A larger share of our Federal budget will be devoted to interest payments instead of productive investments like education, national security, and programs for our elderly and most vulnerable. Higher borrowing costs for American households and businesses will discourage future private investment, lowering our capital stock, reducing our economic growth and depressing our standard of living.

Mr. President, this isn't half as complicated as some have chosen to make it. We are not as far apart as this debate would imply. We can all agree that deficits are too high. We can all agree that we shouldn't be borrowing 40 cents on every dollar that we spend. We even agree that we need $4 trillion in deficit reduction to put us on a sustainable path.

But in the end, this budget debate can't just be about just cutting spending which is all the Republicans have offered. Our future is at stake—literally. Everyone says that job creation and investments in infrastructure, clean energy, and medical research are essential. We need to give the economy the tools to recover. As Ben Bernanke affirmed just the other day, we can't just cut our way to jobs and recovery. The Americans who sent us here understand that and want investment in our future.

I believe there are better choices that we face. This is not half as complicated as some have chosen to make it. In fact, I don't think we are as far apart in this debate, when you talk to a lot of our reasonable colleagues on the other side of the aisle, as some want to imply. Everybody can agree deficits are too high. We can all agree we shouldn't be borrowing 40 cents on every dollar we spend. We can all agree we need about $4 trillion in deficit reduction to put us on a sustainable path. But in the end, this budget debate cannot be just about cutting spending, even though it must include cutting spending.

Everyone has said that job creation and investments in clean energy, infrastructure, and medical research are essential, and I think we need to do the things that would make our economy move. Let me give an example of this. In America today, we are living off of the investments our parents and our

grandparents made. The Interstate Highway System didn't just sprout up one day; it was a government program investing taxpayer dollars in building a nationwide road system that helped America to grow and be unparalleled in its strength compared to any other nation in the world. That was a President Eisenhower program.

The truth is that today we are falling further and further behind other nations in terms of our investment in the infrastructure of the future. The United States is spending less than 2 percent of its GDP on infrastructure. Compare that. China is spending 9 percent of GDP on infrastructure. Europe is spending 5 percent of GDP on infrastructure. They have trains and airports and other things that work and get people where they want to go faster than our trains.

We are looking at a country now that has about a $2.2 trillion deficit in the infrastructure of our Nation. We have 69,000-plus bridges that are structurally deficient. We need to invest in them so they don't fall down like the bridge in Minnesota. We need to invest in our airport structures so we don't have airport delays or potential of collisions in our aircraft.

According to one study, $1 billion in investment in infrastructure results in 18,000 jobs. So at a time when America is begging for more jobs, why would we not be investing in infrastructure in this country? You go to Germany or Brazil, and they are investing huge amounts in their future, and right now both countries are threatening to leave the United States behind with respect to alternative and clean energy investments of the future.

Millions of Americans know we can do a lot better. Frankly, in the 1980s you couldn't find three more ideologically different people than Tip O'Neill, Bob Dole, and Ronald Reagan, but they put politics aside and they saved Social Security. And they didn't capitulate. They compromised. They found common ground. They did it because they knew America's future was more important than either party.

I often hear my colleagues on the other side of the aisle only talking about the spending problems of the country.

Madam President, may I ask how much time I have used?

The PRESIDING OFFICER. The Senator has used 14 minutes.

Mr. KERRY. I thank the Chair.

I often hear my colleagues talking about the spending problem. What they forget about is we had a surplus we created in the 1990s by making the tough decisions. We invested in the future of our country, and we created 23 million new jobs. And in the 1990s, when we balanced the budget—let's not forget that. Some of us were here and made those tough votes, and we balanced the budget, and we created 23 million jobs. Every income level in America went up—every single income level—and we did it at a time when the total relationship of spending-to-GDP was exactly where many of us believe we ought to take it today, somewhere around 21 or 22 percent.

The fact is that it was President Bush's tax cuts for the wealthiest Americans that we couldn't afford and a war that he refused to pay for in Afghanistan and then Iraq—both wars totaling approximately $2 trillion. The tax cuts and the wars account for approximately $7 trillion in deficits in 2009 and going forward.

The facts are clear. The tax cuts President Bush put in place contributed to the deficit, and the revenues have to be addressed if we are going to go forward and deal with this. Federal revenues today—the money the government takes in—is at its lowest level since 1950. We have had a 60-percent reduction in revenue and a 60-percent increase in expenditures, and right now we are at the lowest level of revenue taken in that we have been at since the 1950s, and they are only about 14 percent of the total GDP. The fact is that the last five times we balanced the budget, those revenues were about 19 or 20 percent of GDP. So here we are at 14 percent, we have balanced the budget five times previously, and the revenues were at about 19.5 to 20 percent of GDP. Doesn't that tell us something?

There is another problem we have. It is right here on my desk. We have a Tax Code. The Tax Code has 8 volumes, over 72,500 pages. This is the Internal Revenue Code, 4,052 pages. I would ask any American, do you have your own page in this Tax Code? How many Americans have their own page in this Tax Code? Well, I have got news for you: 72,500 entities—a lot of businesses—have found a way to get their little break in the Tax Code.

Last month, the Senate, by a vote of 73 to 27, sent a clear signal that we ought to start looking at some of these subsidies. This entire Tax Code is riddled with special deals which lobbyists have worked against the interests of average Americans in most cases. Let me give you a couple of examples.

Section 168 in this Code has a special rule for racehorse depreciation. How many folks in America are worried about their racehorse today and the depreciation on it? But they have a provision in here that allows the depreciation of racehorses to go from 7 years to 3 years, and the difference of 7 years to 3 years costs the average American money. The average American is supporting that because it is a foregone revenue. We are giving away the revenue, and we are giving it back to somebody who doesn't fundamentally need it.

The Tax Code includes a definition of 3-year property. Get this: any horse other than a racehorse which is more than 12 years old at the time it is placed in service. I mean, who writes this stuff? Where does this come from? Not only is that a waste of taxpayer money, it makes the Tax Code more complex, and it requires more regulations and more confusion.

A lot of tax lawyers love these eight volumes, but the average American ought to be furious at these volumes because these volumes are stealing America's opportunities in a host of other choices we could be making, such as education, investment in energy, energy independence, taking care of our veterans—doing a whole bunch of things that are substitutes for some of the choices that are made.

Let me give a couple of other examples. Here is a provision. It is included in one of the regulations.

> On April 2000, E acquires a horse to be used in E thoroughbred racing. On October 1, 2003, F buys the horse from E and will use the horse in F's horse breeding business. The use of the horse by E in its racing business prevents the original use of the horse from commencing with F. Thus F's purchase price of the horse does not qualify for the additional first year depreciation deduction.

How ridiculous can it get that we are getting into specific cases like that which run contrary to the common sense of average Americans? One has to be able to afford a lobbyist to be on one of these pages.

Last year, more than $3.5 billion was spent on lobbying in Washington, DC. There are more than 13,000 lobbyists trying to influence the legislation in Washington. Believe me, it works. Look at the last 50 years.

Back in 2004 we passed a bill which the New York Times described as including ''goodies for almost every kind of corporation'' and that ''perhaps the most amazing provision might be called the foreign gambler relief act.''

Under prior law, if a person is lucky and they win big at the horse or dog track, their winnings are subject to a withholding tax. It is kind of logical. But now foreigners do not have to pay tax on their winnings. They found a lobbyist and they got it in the Tax Code and we passed it somehow.

Section 872 of the Tax Code excludes from gross income, ''income derived from wagering transactions in certain parimutuel pools.'' It specifically says, ''gross income derived by a nonresident alien individual from a legal wagering transaction initiated outside the United States in a parimutuel pool with respect to a live horse race or dog race in the United States.''

Until I read this I was not absolutely certain what a parimutuel pool was, but I do know a provision like that does not get in here without lobbying. It comes at the expense of a lot of other choices because the problem is all these breaks—whether it is subsidies for oil or subsidies for gas exploration—which made sense 60 and 70 years ago, but here we are with record profits coming into these companies, $35 billion of profit just for the last quarter, 3 months. Yet they get a break. That break comes at the expense of average folks having the school they deserve, having the road they want to ride on properly, and having decent public transportation. Those are the choices and those are some of the things for which we are fighting.

Not only are lobbyists arguing for tax breaks, highly skilled tax lawyers have a history of finding looping holes for corporations to exploit. We use to have a provision in the Tax Code which was finally eliminated that provided a tax credit for synthetic fuels for coal. I found this process questionable and one company admitted it was profitable just because of this tax credit. Some firms getting this credit were simply spraying newly mined coal with diesel fuel or some other substance. We need to work together to find these type of provisions and remove them.

If there is a loophole, someone will find a way through it. I think we all remember how one oil company was getting a tax credit for co-processing animal fat with biodiesel from biomass. We shut that one down but other loopholes have opened.

Last year, we thought that we had seen the end of the ''black liquor boondoggle.'' Paper mills were using a mixture of diesel fuel and a byproduct of the pulping process as an energy source for the mill. The intended purpose of this credit is to produce motor fuels from biomass. These companies were getting a windfall that was never intended. I am now hearing that some companies are still finding a way to benefit from black liquor. I have also heard that some are trying to benefit from this same credit for alternative fuels by adding cow waste and other waste to diesel fuel. This was not the intended purpose of this provision. In past Congresses, I have introduced line-item veto legislation which included tax benefits. These are abuses that we can all agree to end.

For years, we have been trying to repeal subsidies for major oil companies. Just last month, we failed to eliminate $2 billion a year in tax incentives for oil companies. These incentives are no longer needed. We needed to jointly review the Tax Code and remove the deadwood. Some subsidies are no longer needed. And some are completely necessary. The Tax Code has become riddled with special interests. Over the past 25 years, Congress has introduced billions of dollars of worth of special tax breaks, loopholes and subsidies into the Tax Code—making total tax expenditures now exceed $1 trillion.

With the future of our country at stake we have to decide if we want to care for our elderly and educate our children or provide tax breaks for those who do not need them. Would we rather invest infrastructure or allow race horse owners a shorter period to depreciate their horse?

As we consider legislation to increase our debt limit, our colleagues in the minority refuse to even discuss eliminating any of the tax expenditures that these lobbyists have helped enact into law. Not one permanent tax expenditures. I guess they prefer to increase the spending cuts that hurt low and moderate-income families.

I think we need to review the $1 trillion in expenditures and decide what is really needed instead of slashing programs which will weaken our economy. It is time for us in Congress to stop falling prey to corporate lobbyists and stand up for our future. To reduce the deficit we need to make hard choices and we should not be afraid of saying ''no.'' If we do not start eliminating tax expenditures, we will not be able to reduce the deficit without gutting Medicare or Medicaid.

We hear a lot about the Ryan budget, but make no mistake: the House passed budget does not eliminate the deficit. It just makes a series of spending cuts to provide tax cuts to those at the very top even greater than the existing 2001/2003 tax cuts.

And Chairman RYAN may call his budget the ''Path to Prosperity,'' but that is not where its path would take our seniors. At least two-thirds of the over $4 trillion in budget cuts come from programs serving those of modest means. To be clear, the House budget is not about reducing the debt. It is about putting in place Republican priorities—increasing tax cuts for the wealthy and slashing social programs that people depend on.

We should examine all spending and not leave defense spending off the table. For example, we should be cutting programs like the Medium Extended Air Defense System, MEADS, which had a budget request of $406 million for fiscal year 2012 but the Pentagon said was running over schedule and running over cost. Or the F–22 raptor fighter jet, which in 2009 we were able to cut $1,750,000,000 in procurement funds of a plane that was costing too much money and wasn't appropriate for the 21st century wars we are engaged in. We should aggressively go after fraud and abuse, eliminate erroneous payments to health providers, and better coordinate health care for people who receive both Medicare and Medicaid. These dual eligible beneficiaries account for only 15 percent of Medicaid enrollment but constitute nearly 40 percent of Medicaid spending.

Instead of digging more ideological trenches, we should look at the last time we actually achieved a path to fiscal stability. The bipartisan 1990 budget agreement included discretionary caps and revenue increases. It was a real compromise that looked at both sides of our budget equation. And in January of 2001, the Congressional Budget Office projected that the debt would be erased by 2006 and that by 2011, there would be a $2.3 trillion surplus.

Yet somehow, in the years since this real bipartisan success, too many people in this building seem to have forgotten that there are two sides of the budget ledger.

Just look at the balanced budget amendment House and Senate Republican leaders proposed. It caps Federal spending in any fiscal year at a completely unrealistic 18 percent of GDP. It wouldn't just result in unthinkable cuts to Social Security, Medicare, and Medicaid; it would also impose arbitrary limits on the Federal Government's ability to respond to the recession. So the recession could be deepened by increasing the number of unemployed, decreasing business investment, and withholding services needed to jump-start the economy. And yet this same proposal would require a two-thirds vote to increase revenues, making it nearly impossible to eliminate wasteful tax loopholes or unnecessary tax giveaways.

So let's be realistic. We need to set ourselves on a course to rein in deficits and debt. No one disputes it. To do this, the budget negotiations should include a budget enforcement mechanism—and it can't result in a sequestration of spending only; if a budget enforcement mechanism only focuses on spending cuts, we are only addressing part of the problem. It would slash essential programs while ignoring revenues. That is simply not a responsible long-term budget solution, and it would never get bipartisan support.

For an enforcement mechanism to work, both sides should not want the trigger to occur. We shouldn't be hoping for automatic spending tax cuts or increased revenues. A tough budget enforcement mechanism will force us to make difficult choices, both substantively and politically.

It is time to end the polarization over how to resolve our budget crisis. We can't hide behind global spending caps, unrealistic constitutional amendments, or pledges vowing opposition to tax increases. The cuts that would be required to meet the spending targets of a cap would have to be as drastic as or even worse than proposals included in the House-passed budget resolution.

Spending for Social Security, Medicare, and Medicaid are driven by factors beyond the programs' control. Under spending caps, their percentage cuts would be bigger than the percentage cut in discretionary programs and they would be subject to automatic large cuts.

We need to think hard about what is fair in America. The only tax President Obama or we Democrats have talked about is on the wealthiest people. Millionaires. People who earn more than $1 million a year. That is about 7,000-plus lucky families and individuals in the United States. All we are doing is talking about asking those who benefit enormously from the strength of our economy and the strength of our military and all the things we need to do—we are just asking them is it too much to go from 36.9 percent up to 39.6 percent, which is where they were in the year 2000, before President Bush gave them a tax cut we could not pay for.

It is not as if they have done badly these last 10 years. The fact is, more wealth has been accumulated in the hands of the smallest part of America, the top 1 percent, than at any time in America's history. The wealthy are far wealthier than when we had no income tax and when we had the great names

of the 1920s and 1930s and the industrial revolution: Pierponts, Morgans, Carnegies, Mellons, Rockefellers, and so forth. They are much wealthier today. Yet they are paying far less of their share than at any time in modern history.

Here we are with a deficit problem. They are talking about cutting Medicaid. They are talking about cutting Medicare. They are talking about cutting education loans, making it more expensive for kids to go to college—the one thing we desperately need in order to compete with the rest of the world, people who have a college education. I do not hear anybody in America saying make it harder for my kid to go to college, but that is what they are doing in their budget. That is exactly what they are doing. But they stand up adamantly and say: No way will we allow people earning more than $1 million a year to pay anything additional into the system. It is just wrong. It is morally wrong. It is repugnant in this country we are condoning the institutionalization of a larger and larger gap between the haves and the have-nots, between the people who have already gotten their brass rings and the people who are trying to reach it. That is not the American story. I believe we need to fight to have a balanced approach.

President Obama and the Democratic proposals I have seen and we have talked about—and I hope people will hear more about in the next days—give a tax cut to about 98 percent of America. The only people we are talking about asking to kick in and give us some more revenue are people earning the most.

If a person is earning $500,000 a year, they would not pay any additional tax on their first $250,000. On the next $250,000 all they would pay is $12,000 of additional tax. Let me ask—no, I will say I know this. There is not one business person, there is not one millionaire for whom $12,000 will change one consumer purchase, one decision of investment—not one. All this talk about how it will slow down the economy or hurt America is just bunk. It is not true.

We need to have a real discussion. We need to have a real effort that I think matches the greatness of this institution with this moment. This can be the world's greatest deliberative body, but we need to put all of these issues on the table. We need to debate them openly. We need to have the courage of our convictions and vote up or down and do what is needed to put our country on track because right now we are losing countless investment opportunities, countless job opportunities. If we do not make the right choices we are going to have a very difficult time living up to the promise all of us hope to live up to in our time in this office.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Madam President, I ask unanimous consent for 15 minutes to address this body as in morning business.

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

Mr. McCAIN. Madam President, it is well known to all Americans who have observed, and certainly the media and certainly Members of this body, the Congress, that the debt limit talks are bogged down. There has been little if any progress, certainly not any perceptible to the American people. We are in a gridlock, a gridlock that is not favored by many Americans. In fact, I continue to hear from my constituents the call: Why can't you all sit down and work this out? Why can't we not be faced with a shutdown of the government and the loss of the important services that the Federal Government gives to the American people—most of which they have earned and all of which they deserve?

Here we are with the President of the United States demanding that there be tax increases and the Republicans, certainly many of them, are insisting on a balanced budget amendment which cannot pass the Congress of the United States.

On the one hand, President Obama and my friends on the other side of the aisle insist on tax increases and argue somewhat inflammatory and populist issues such as corporate jets, carried interest for private equity, oil and gas. Those are hard to defend.

At the same time it is very clear that the American people spoke and administered what the President of the United States called a ''shellacking'' last November. They want us to stop mortgaging our children's and our grandchildren's future and get the spending under control. I have yet to meet a constituent who wants their taxes increased.

We are in a gridlock. There will be a meeting tomorrow on the debt crisis again, this time between the President and leaders of Congress. We all hope it will succeed, but it is my view the way to break this gridlock is to agree to certain tax increases and closing loopholes, but only in return for an overall reduction of the corporate tax rate. That way, Republicans can say we have not raised taxes overall, and the administration and the Democrats can say they eliminated loopholes and indeed made the taxation of Americans more fair.

It is time we got serious. The debt, as we all know, is $50,000 for every man, woman, and child living in America today. That is why we have seen the rise of the Tea Party and the fiscal conservatives. I hope these negotiations can be made visible to the American public by C–SPAN so they can see what is being discussed.

As I said, the debt stands at $14.5 trillion. We cannot continue to sit idly by while saddling future generations of Americans with the burden. So if we are serious about our commitment to reduce our debt and eliminate the deficit, then Congress needs to start making some serious decisions, and we need to start now.

I would like to remind my colleagues, particularly in light of the impassioned speech I just listened to from my friend from Massachusetts, here is what President Obama's thoughts on the debt limit were in 2006 when he was a Member of this body. I quote him from a speech he made on the floor of this Senate:

> The fact we are here today to debate raising America's debt limit is a sign of leadership failure. It is a sign that the U.S. Government cannot pay its own bills. It is a sign that we now depend on ongoing financial assistance from foreign countries to finance our Government's reckless fiscal policies. . . . Increasing America's debt weakens us domestically and internationally. Leadership means that ''the buck stops here.'' Instead, Washington is shifting the burden of bad choices today onto the backs of our children and grandchildren. America has a debt problem and a failure of leadership. Americans deserve better.

Then-Senator Barack Obama on the floor of this Senate.

I guess it shows on some issues with then-Senator Barack Obama it is not where one stands, it is where one sits. I could not agree more with what then-Senator Obama said in 2006. Americans do deserve better. We are in this mess today because of a serious lack of leadership. It is not the fault of just one of the political parties; it is the fault of both parties. Year after year of uncontrolled spending by both Republicans and Democrats has brought us to the brink of bankruptcy. The point at which we will begin to default on our obligations is now just weeks away, and it is shameful. It should be inconceivable that the greatest Nation in the history of the world should face such crippling debt while its leaders engage in such partisan bickering instead of solving this problem.

I would like to bring to the attention of my colleagues the lead editorial in today's Wall Street Journal, which I believe holds the answer to this stalemate.

Madam President, I ask unanimous consent that today's editorial in the Wall Street Journal entitled ''A Debt-Limit Breakout'' be printed in the RECORD.

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

[From the Wall Street Journal, July 5, 2011]

A DEBT-LIMIT BREAKOUT

The debt-limit talks in Washington are bogged down in the hedgerows, with some Republicans insisting on a balanced budget amendment that can't pass Congress and President Obama insisting on tax increases that Republicans oppose. What this debate needs is a breakout strategy—to wit, Republicans should answer Mr. Obama's tax call by accepting his business tax increases in return for a lower corporate tax rate.

We've long favored such a reform, and last year so did the Simpson-Bowles deficit commission and the White House economic advisory council headed by Paul Volcker. But the cause has now acquired no less a convert than Bill Clinton. Speaking Saturday at something called the Aspen Ideas Festival, the former President admitted that he had once raised tax rates on corporations.

''It made sense when I did it. It doesn't make sense anymore. We've got an uncompetitive rate,'' he said. ''We tax at 35% of income, although we only take about 23%. So we should cut the rate to 25%, or whatever's competitive, and eliminate a lot of the deductions so that we still get a fair amount, and there's not so much variance in what the corporations pay.''

We opposed Mr. Clinton's tax increases, not least because corporations don't pay taxes so much as they serve as a collecting agent. But on the rest of Mr. Clinton's riff, Milton Friedman and Robert Mundell couldn't have put it better, though perhaps they'd think that 25% is still too high.

We'd prefer 15% ourselves, but Mr. Clinton is exactly right on the failure of the 35% rate (39% on average including the states) to capture that share of corporate income in government revenue. We wrote earlier this year about Whirlpool, which had an effective tax rate of zero due to its many write-offs. Everyone knows the notorious case of GE.

The average effective corporate rate varies by industry but is far less than the 35% rate, and the injustice is that some pay much less than others if they can afford lobbyists to write loopholes or they invest in politically correct purposes. Anyone not in thrall of class-war symbolism understands that the U.S. corporate tax code provides the worst of both worlds: It makes U.S. companies less competitive even as it is raises much less revenue than advertised. Mr. Obama and Treasury Secretary Tim Geithner have acknowledged this in the past, the President as recently as this year's State of the Union address.

As for the debt-limit politics, this is also a winner. Democrats and Republicans say they've agreed privately on sizable spending cuts over a 10-year budget window. No doubt some of those cuts are less real than others, and future Congresses could rewrite any enforcement provisions passed this year. But Republicans still have an incentive to set spending on a downward path, and Mr. Obama has an incentive to show he is no longer a hostage of Nancy Pelosi as he runs for re-election.

The political sticking point is Mr. Obama's desire for some Republican buy-in on raising revenues. His political left is still sore that he agreed to extend the Bush tax rates through 2012. Thus he's pounding Republicans to agree to eliminate certain business tax deductions that political advisers David Axelrod and David Plouffe have told him will be hard for Republicans to defend. Corporate jets. Carried interest for private equity. Oil and gas. Even LIFO accounting, which few understand but can be made to sound nefarious.

Whatever their individual merits, each of these would be a tax increase on business, and Republicans campaigned last year on not raising taxes. But the politics is different if they can offset these revenue raisers with lower tax rates. That would let Republicans honestly claim they didn't support a net tax increase, even as Mr. Obama could say he raised revenue.

Our own guess is that such a reform would raise far more money than the official scorers would predict, since it would lead to a more efficient allocation of capital and less tax evasion. This would also promote economic growth, breaking out of the austerity mentality driven by debt reduction. If Mr. Obama really is worried that lower federal spending will hurt the economy, then this tax reform is also his best growth policy.

In offering his grand bargain on Saturday, Mr. Clinton included the caveat of ''how can they do that by August 2?'' Mr. Geithner says that is the date when he can no longer finagle federal finances to escape a potential default on the debt, or must at least cut some federal spending, to avoid breaching the $14.3 trillion debt limit.

But where there's political self-interest there's always a way. Both sides could agree to a short-term debt-limit reprieve of a month or two with some spending cuts that everyone agrees on. That would give them more time to cut a larger deal that includes corporate tax reform.

Think about it. On the current path both sides are headed at best for a de minimis deal that makes everyone look bad, at worst for a major political crack-up. Perhaps Mr. Obama wants a crack-up to portray Republicans as extreme. But Republicans should at least call his bluff and answer his demands for fewer business tax deductions by saying yes—in return for lower tax rates.

Mr. McCAIN. I quote from it:

The debt-limit talks in Washington are bogged down in the hedgerows, with some Republicans insisting on a balanced budget amendment that can't pass Congress and President Obama insisting on tax increases that Republicans oppose. What this debate needs is a breakout strategy—to wit, Republicans should answer Mr. Obama's tax call by accepting his business tax increases in return for a lower corporate tax rate.

The Wall Street Journal goes on to say:

We've long favored such a reform, and last year so did the Simpson-Bowles deficit commission and the White House economic advisory council headed by Paul Volcker. But the cause has now acquired no less a convert than Bill Clinton. Speaking Saturday at something called the Aspen Ideas Festival, the former President admitted that he had once raised tax rates on corporations.

''It made sense when I did it. It doesn't make sense anymore. We've got an uncompetitive rate,'' he said. ''We tax at 35% of income, although we only take about 23%. So we should cut the rate to 25%, or whatever's competitive, and eliminate a lot of the deductions so that we still get a fair amount, and there's not so much variance in what the corporations pay.''

The editorial goes on to say:

Anyone not in thrall of class-war symbolism understands that the U.S. corporate tax code provides the worst of both worlds: It makes U.S. companies less competitive even as it raises much less revenue than advertised. Mr. Obama and Treasury Secretary Tim Geithner have acknowledged this in the past, the President as recently as this year's State of the Union address.

As for the debt-limit politics, this is also a winner. Democrats and Republicans say they've agreed privately on sizable spending cuts over a 10-year budget window. No doubt some of those cuts are less real than others, and future Congresses could rewrite any enforcement provisions passed this year. But Republicans still have an incentive to set spending on a downward path, and Mr. Obama has an incentive to show he is no longer a hostage of Nancy Pelosi as he runs for re-election.

The political sticking point is Mr. Obama's desire for some Republican buy-in on raising revenues. His political left is still sore that he agreed to extend the Bush tax rates through 2012. Thus he's pounding Republicans to agree to eliminate certain business tax deductions that political advisers David Axelrod and David Plouffe have told him will be hard for Republicans to defend. Corporate jets. Carried interest for private equity. Oil and gas. Even LIFO accounting, which few understand but can be made to sound nefarious.

Whatever their individual merits, each of those would be a tax increase on business, and Republicans campaigned last year on not raising taxes. But the politics is different if they can offset these revenue raisers with lower tax rates. That would let Republicans honestly claim they didn't support a net tax increase, even as Mr. Obama could say he raised revenue.

Our own guess is that such a reform would raise far more money than the official scorers would predict, since it would lead to a more efficient allocation of capital and less tax evasion. This would also promote economic growth, breaking out of the austerity mentality driven by debt reduction. If Mr. Obama really is worried that lower federal spending will hurt the economy, then this tax reform is also his best growth policy.

The Journal argues that we can offset the costs to businesses of closing loopholes and eliminating subsidies with a cut in the corporate tax rate. I completely agree. We should be open-minded when considering what should be eliminated. For instance, the distorting effect of subsidies is clearly evident in the energy sector. We should eliminate these subsidies, lower the corporate tax rate, and allow the marketplace to pick winners and losers, not the government.

The ethanol tax is a perfect example. This year the ethanol tax credit cost taxpayers almost $6 billion in addition to the $41.2 billion we have already spent in subsidies on ethanol since 1980.

A recent CRS, Congressional Research Service, report indicates that tax credits and subsidies for solar, wind, and geothermal power will cost $8.6 billion from 2008 to 2012. For the oil and gas industry, the eight tax breaks recommended for elimination by President Obama would eliminate $43.6 billion in spending over 10 years. The largest among these tax breaks is the section 199 manufacturing tax subsidies that will cost approximately $18 billion over 10 years. We should eliminate the section 199 tax subsidies for all industries to avoid arbitrarily picking winners and losers. Why should we value manufacturing over other service providers?

Additionally, we should eliminate all agricultural subsidies, including sugar programs, end corporate welfare, and end tax breaks for corporations for things such as corporate jets. We need to put aside the rhetoric of corporate jets, which is just a poll-tested political phrase concocted behind one-way mirrors. Everyone knows eliminating all tax breaks on corporate jets would not amount to any real progress, but if we seriously looked at curbing corporate subsidies, such as the ethanol subsidy I just mentioned, then all Americans would benefit.

I feel the need to provide my colleagues with some straight talk. As the Journal notes, some of my Republican colleagues are ''insisting on a balanced budget amendment that can't pass Congress.'' Let me be clear—I am an avid supporter of a balanced budget amendment to the Constitution. Since 1983, I have introduced or cosponsored more than a dozen bills or amendments calling for a balanced budget amendment, and I have had the privilege of

voting in favor of a balanced budget amendment to the Constitution no less than 13 times in my Congressional career. I applaud my colleagues for their tireless dedication to this cause. But our reality today dictates that we do not have the votes in this body to enact such a measure. Perhaps that will change after next year. I hope so. But for our purposes today, in order to avoid what could be disastrous consequences for our markets, our economy as a whole, and our standing in the world, I encourage my colleagues to lay aside, at least temporarily, their insistence that amending the Constitution be a condition of their support for a solution to this terrible problem.

The Wall Street Journal editorial ends with this:

> Think about it. On the current path both sides are headed at best for a de minimis deal that makes everyone look bad, at worst for a major political crack-up. Perhaps Mr. Obama wants a crack-up to portray Republicans as extreme.

As my colleague from Massachusetts just did.

> But Republicans should at least call his bluff and answer his demands for fewer business tax deductions by saying yes—in return for lower tax rates.

I couldn't agree more with the Wall Street Journal. This debate desperately needs a breakout strategy. I am pleased to see that President Clinton has joined the Wall Street Journal in embracing a commonsense solution to this problem. I hope President Obama will follow former President Clinton's lead and the example set by the great Ronald Reagan and put aside politics, work with the Congress on this matter, and accept a compromise that will allow us to responsibly deal with our debt while creating jobs and spurring economic growth.

I would like to point out again:

> The average effective corporate rate varies by industry but is far less than the 35 percent rate, and the injustice is that some pay much less than others if they can afford lobbyists to write loopholes or they invest in politically correct purposes. Anyone not in thrall of class-war symbolism understands that the U.S. corporate tax code provides the worst of both worlds: It makes U.S. companies less competitive even as it raises much less revenue than advertised.

So the fact is, the corporate Tax Code needs to be reformed anyway, and we need to cut it to 25 percent. It is either the first or the second highest tax rate in the world. Yet somehow major corporations such as Whirlpool and GE end up paying no taxes, but yet small businesspeople who can't afford a lobbyist here in Washington end up paying the 35-percent rates if they are incorporated. It is time we tell the American people who are frustrated by our lack of leadership, by our failure to come together. It is time to end the rhetoric, fulfill the commitment we made to the American people last November who resoundingly sent the message that they want the spending cut and the mortgaging of our children's future stopped. This is a reasonable proposal that I believe, with spending cuts, can be a breakthrough that we can proudly return to our constituents and say we are taking care of them, not the special interests and not hidebound ideology.

I yield the floor.

Mr. UDALL of Colorado. Madam President.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. UDALL of Colorado. I ask unanimous consent that the time of the debate of the previous order be extended until 7 p.m., with all the provisions of the previous order remaining in effect.

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

Mr. UDALL of Colorado. I ask unanimous consent I be able to speak for 15 minutes as in morning business and that Senator COONS be allowed to speak as in morning business for 10 minutes.

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

Mr. UDALL of Colorado. Madam President, I believe we may be in a situation where we are exchanging speeches one side and the other. May I withdraw my unanimous consent request for Senator COONS?

The PRESIDING OFFICER. The consent is vitiated.

Mr. UDALL of Colorado. Madam President, I came to the floor to deliver a speech on the debt ceiling and all the activity surrounding the need to increase our debt ceiling, but I took the time to listen to Senator MCCAIN while I was here, and I have to say I agree with Senator MCCAIN. We need a breakout strategy. We need cooler heads to prevail, and I think many, if not all, of us can agree our tax system is overly complex. It ought to be simplified. We ought to lower rates. We ought to end the loopholes and the subsidies and the deductions and let the free market reign. I look forward to working with the Senator from Arizona as we, hopefully—and hope sometimes is a strategy—but we get a broad agreement, we go big. We deal with our debt, we strengthen our entitlement programs, we reduce spending, and find ways to generate more revenues.

I thank the Senator from Arizona for his comments.

I rise, as I just implied, because I think the fiscal challenges that confront us demand a bipartisan solution. Both parties approach the issues before us from very different points of view, but time is truly running out on our Nation's structural deficits and our long-term debt and the need for us to address those. I want leaders in both parties to show genuine commitment to action. How about if we set aside our talking points so we can get some work done. If any other Members believe the solution to our deficit and debt demands comprehensive and bipartisan solution such as the fiscal commission or the Gang of 6, I would invite them to come down to the floor and let our colleagues know we are clearly racing toward a crisis that seems like we can't let go of the partisanship and the political posturing that creates gridlock in the Capital City of Washington. It sure strikes me as childish. I think it strikes many Americans and Coloradans as that way as well.

We are more broadly having this debate because the time is upon us to decide the economic future of our country. Yes, we have to raise the national debt, but this is about our economic future, and this is the country we inherited by our children and grandchildren. Quite simply, we are not going to win the global economic race of this 21st century unless we start taking action now to improve our economy, grow American jobs, and get our debt under control. With these challenges, as large as they are facing us, this is the time to set aside our political differences and challenge ourselves to put our country first.

A few basic facts focus the attention. Our national debt is $14 trillion and it is growing. Today, each citizen's share of that debt is over $46,000 per individual. If we remain on this path, which is irresponsible, there is no question about that. The Government Accountability Office projects that by 2050, our Nation could owe more interest on our debt than the Federal Government raises in taxes in a given year, and our sky-rocketing debt is not only spooking international markets, but it is a serious threat to our national security. Listen to Secretary of Defense Gates or Chairman of the Joint Chiefs Admiral Mullen, they will make that point in a compelling fashion. Look, we got here in ways that are not simple. But unquestionably two unpaid-for wars, two rounds of massive tax cuts, unpaid-for prescription drug benefits, and drastic rescue measures needed to address the most serious economic downturn since the Great Depression have all contributed to the current situation.

The solutions are even more difficult. While we may disagree about the path forward, I think we all know in our hearts that we cannot get to a solution unless we all agree to come to the negotiating table willing to compromise to ensure that our country, the United States—the largest economy in the world—can honor our bills and begin to pay down our debts. That is the challenge, that is the problem, that is the opportunity, as I see it, that brings us to the Senate floor today.

We began this year with serious and, I believe, earnest conversations about this in not one but two groups of lawmakers in the House and Senate. Yet, despite all the talk and a lot of hard work, rather than nearing an agreement, we seem to be coming to an impasse. In the last few weeks, the state of negotiations seems to have fallen apart, with key players choosing to walk away rather than compromise. We hit the same roadblock that always inhibits action when things get tough: Politics get in the way.

In fact, it seems as if everybody in the world except the Congress seems to know time is running out. Think back to April. Standard & Poor's cut the U.S. ratings outlook to ''negative'' due to the uncertainty over budget deficits and the debt ceiling. This month, Moody's piled on, warning that it too may downgrade the U.S. ratings outlook to ''negative'' as early as July—it is July 6—because of concern over gridlock in Washington.

I have to say the American people are running out of patience as well. Back home in Colorado, people are wondering what in the world we are doing in Washington. I was not up for reelection in 2010, but I was listening to what the voters were saying. They clearly said to us they want us focused on jobs, the economy, and the debt. And they want us to work together.

Consider the direction I got recently from Curt, who is a constituent in Arvada, CO. He wrote:

> I am counting on you to put the interests of everyday Americans above party politics and join your legislative colleagues on both sides of the aisle in finding sensible solutions to our long-term national debt problem.

Many more Coloradans have sent me similar messages. I got one from a Boy Scout, David, in Evergreen, CO, whose words were stronger than mine. He said:

> I think the United States government should stop spending unnecessary money. We should first focus on what is necessary. . . . It is amazing how much money our country owes. It is constantly going up! I just looked at information about the United States debt clock, and I think this debt is way too high. People in the federal government in Washington D.C., are spending money as if they had all the money in the world.

David, if you are listening, I agree.

No question, Americans want quality roads, a safety net for the sick and elderly, and strong investments in education and research that will spur innovation and good-paying jobs. But we need to commit to ensuring we have the financial stability to pay for them.

For too long, the American people have collectively been told by us here in Washington that they can have more of everything they want without us fully paying for it. But to preserve a promising future for our children—for Curt's children, for David—we are going to need to face up to some hard truths.

Fifty years ago, my father, former Arizona Congressman Mo Udall, supported what should only seem natural: tying spending directly to revenues. Let me give you a couple examples. If we want to give oil companies $1 billion in tax subsidies, then let's raise taxes by $1 billion to pay for them. The same thing, though, goes for overseas conflicts, agricultural subsidies, infrastructure, and, yes, even entitlements.

Coloradans from across my home State have told me they want to see their leaders try using some common sense—the kind of common sense Americans use when they are faced with the hard job of balancing their own budgets when money is tight.

As a Senator, I have successfully led the fight to end wasteful earmark spending, proposed measures to cut redundant government programs, demanded line-item veto authority for the President, and, yes, pushed—and I see my colleagues from the other side of the aisle here—for a very sensible balanced budget amendment to our U.S. Constitution. But these measures only serve as tools to get Washington to clean up its act, and that is not enough. We need to suck up our courage and actually make the tough budgeting decisions.

If we are going to get anywhere, we have to realize we all have skin in the game and we have to check ultimatums at the door—especially on issues such as Social Security and taxes. The challenge facing us is so great we cannot afford to let partisanship or electioneering get in the way—and both parties are guilty.

For example, we cannot seriously address debt reduction without looking at Social Security. If we do nothing, by 2036, Social Security benefits will have to be cut by 20 percent. Congress will undoubtedly be under enormous pressure to fill in that hole in lieu of telling seniors their benefit checks would be reduced. To say Social Security—when you look at it that way—must be divorced from deficit reduction, as many Democrats do, is to ignore the problem.

In a similar vein, it is unrealistic to maintain, as my Republican colleagues do, that raising revenues cannot be a part of the deficit and debt reduction equation. We should all be honest enough to admit a simple fact: No amount of spending cuts alone will reduce our deficits without unreasonably harming Social Security and Medicare. For some to say that revenues should not be part of the deficit reduction picture is either a sign that they are not serious about getting our debt situation under control or they are being disingenuous about the dangerous implications spending cuts alone would have on our hard-working constituents who rely on these important programs.

What is so agonizing about the last 6 months is that we have a bipartisan solution in front of us, one that I know—I don't just believe but I know—would responsibly reduce our debt while also allowing the economy to grow and protect our middle class.

In December 2009, I know the Presiding Officer and I, along with a number of other Senators, pushed for the creation of the President's National Commission on Fiscal Responsibility and Reform, which was then chaired by Erskine Bowles, a North Carolinian, and Alan Simpson, a Wyoming resident. They did an exhaustive study of what it would take to get our debt under control, and last year they delivered a report on how to reduce the debt by over $4 trillion in the next decade and bend the curve back to a much more sustainable Federal budget situation. They comprehensively addressed all of the issues that must be on the table; namely, spending cuts, reasonable entitlement reform, and some new revenues. The plan has already received bipartisan support, including from Senators of each party who were members of the commission. Rather than arguing, we could be acting on these recommendations. And, look, if we do not want to follow those exact recommendations, let's all at least agree that everything must be on the table in these ongoing debt discussions.

Many of us here simply want to roll up our sleeves and get to work. I see some of my colleagues on the other side of the aisle. I know they share that sentiment, even if our leaderships in both parties are demanding that we be quiet. But I think we can all focus our attention on a sensible, bipartisan plan, work together, and pass it into law before our national credit rating is downgraded and we damage our chances of winning the global economic race.

The Presiding Officer knows, my colleagues know, I am not a particularly dramatic person. But I have to tell you, I believe that nothing less than the fate of the U.S. economy hangs in the balance, and I am certainly willing to stay here day and night, weekends and holidays, in Washington, DC, to help put a plan in motion.

Madam President, thank you for your attention.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. COONS. Madam President, I rise to follow the comments of my colleague from Colorado, and I appreciate the forbearance of my colleagues from Florida and New Hampshire.

I simply want to follow on the comments of the Senator from Colorado in emphasizing the sense of urgency, the sense of frustration and of deep concern I know many of us feel in the Senate of the United States.

On the Fourth of July, as I went up and down the State of Delaware to different parades and picnics and gatherings, I had the opportunity to meet with and talk to thousands of Delawareans. Over and over, I would go up to men who were wearing hats that showed they served, whether in the Korean war, the Vietnam war, the Second World War, and I thanked them for their service. Repeatedly, I would hear the same thing back: We have done our job. We hope you will do yours.

When I was elected in 2010 to serve in the Senate, I heard the same message from the folks across Delaware that I just heard Senator UDALL reflect from the people of Colorado: Help the private sector create good jobs, deal with the deficit and debt, and do it in a bipartisan and responsible way.

I am gravely concerned we are on the verge of the most predictable financial crisis in modern American history as we slowly grind toward the predicted default on America's mortgage on August 2.

Treasury Secretary Tim Geithner has warned us since the beginning of this year with a letter he sent to us on January 6, with repeated testimony in front of various committees of the Senate. We have gone well past the May 16 deadline, and the Department of the Treasury is now using extraordinary measures to prevent us from defaulting on America's commitments.

I have heard other analogies used, but they are mistaken. This is not about cutting up the credit cards or ending the blank check for our current President. This is about whether we will continue to meet the commitments America has already made, whether we will continue to make the payments that were already committed to for our troops in the field, for contractors who are providing military supplies and equipment, for our Federal workforce, and for all the different programs and benefits the Senator who spoke before me mentioned: Medicare, Medicaid, Social Security, and others.

We cannot afford the consequences of default. One study says we would lose 640,000 jobs—more than a half a million additional Americans needlessly thrown out of work because of a foolish game of chicken. The cost to home mortgages, to car loans, the daily cost of living, including for food and gas, would go up needlessly if we simply fail to uphold the tradition of meeting our commitments as a nation.

I am here to say today that we cannot afford to have America become a bad investment. The best thing we can do going forward is to restore certainty to our markets, to put some confidence back in the American economy, to make certain the international community continues to regard us as the safest and best investment in the world. The way to do that is to come together in a bipartisan way around a big deal, around $4 trillion in savings, at least.

The Senator from Colorado went into some detail as to the bipartisan Debt and Deficit Commission, chaired by Erskine Bowles and Alan Simpson, the Democratic former Chief of Staff and the Republican former Senator from Wyoming, with the 11 members of that commission, including Members of this body, currently serving Senators, Republican and Democrat, who came together around a plan that would make $4 trillion in savings over the next decade.

I think we should do no less than that. I think the plan we should be working on in detail now should include all four major areas where we have to have savings: reductions in discretionary domestic spending, reform to our entitlement programs, reductions in Pentagon spending, and increases in Federal revenue through tax reform. All four of these have to be on the table. In my view, our values ask no less than that.

As we work through a recovery, we need to continue to invest in education, in infrastructure, in innovation. But we also need to responsibly put together a bipartisan path that will take on the sacred cows of this institution and of America's Tax Code.

Three weeks ago, we had more than 70 Senators cast votes to end the $6 billion in needless annual ethanol subsidies. I hope that was an opening door toward a recognition that on both sides of the aisle and in both Chambers of this Congress we need to be willing to make the tough votes even though they will upset treasured constituencies, even though they will end up causing us potential political harm, to reduce reckless Federal spending, whether through the Tax Code or through unsustainable Federal programs.

In the end, I simply wanted to come to the floor today and add my voice to that of many of my colleagues on both sides of the aisle who are expressing our grave concern. As the clock ticks away and as the hours left to August 2 shrink, we need to come together.

What Americans have done for generations is sacrificed. What legislators need to do now is compromise. There are in front of us reasonable, solid, bipartisan proposals that have been available to us since March and that this body and our leadership need to be willing to make responsible compromises to make happen.

With that, I yield the floor.

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

Ms. AYOTTE. Mr. President, I ask unanimous consent that I be permitted to enter into a colloquy with my Republican colleague Senator RUBIO for up to 20 minutes.

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

Ms. AYOTTE. Mr. President, it is an honor to be here with my esteemed colleague from Florida, Senator MARCO RUBIO. My husband Joe and I are blessed to be the parents of two wonderful children, our daughter Kate, who is 6 years old, and our son Jacob, who is 3 years old.

This Fourth of July we walked together as a family in the parade in Wolfeboro, NH. As I watched my children in the parade hand out candy to other New Hampshire children while they were standing with their parents, it reminded me again of why I am here and how concerned I am about the future of our country for Kate and Jacob and for all of our children.

As parents, we all want to provide our children with a brighter and at least the same if not greater opportunities we have all had in the greatest country on Earth. That is the American dream, that a young woman like me from a middle-class family can have the opportunity to serve in this Chamber; that someone like Senator RUBIO, the son of Cuban immigrants, could serve as a Senator from Florida, a leader of our great country who has come here to address our challenges.

I am fearful that we are the first generation that will not pass on the American dream to the next generation. With the accumulation of $14 trillion in debt, we are borrowing 40 cents on the dollar to fund our government. Half of our debt we have borrowed from other countries, including the country of China, a country that does not share our values. I am concerned with the amount of debt we have accumulated, that if we do not address this debt crisis right here and now, we are ensuring our children will have less opportunities than we have all had.

We have seen what is happening in Greece. If we do not address our debt, with real, substantive legislative proposals, ideas we have already proposed in this Chamber, Members of both side of the aisle—the balanced budget amendment, spending cap legislation, how about a real budget resolution that reduces spending and puts forth a responsible fiscal plan for this country—we will be setting up our children to pay for our failure to act today with either massive tax increases or the value of our dollar will be diminished and everything they own will be worth less and everything that we own, and it will diminish their economic opportunities in this great country.

I know Senator RUBIO is the father of four young children. What is it the Senator is most concerned about with respect to the future of our great country?

Mr. RUBIO. Well, first I want to thank the Senator from New Hampshire for allowing me the opportunity to do this together because it is important. She brings a tremendous amount of credibility to this discussion. She is not just a mother and a Senator, but she is also a small business owner who has run a small business, been there on the front lines with her husband running a small business, who recently got off the campaign trail, as I did, and heard from job creators all across the State as to what they are talking about, and we are going to get back to that in a moment.

But as the Senator rightfully outlined, I am the father of four young children, four children whom I think deserve to inherit a country that is as great as the one my parents and their generation left us, and that is what we are debating here at the end of the day.

If you look at the numbers, they are absolutely startling. I think these numbers have been said before, but you cannot say them enough—$14.3 trillion of debt. Trillion is not a number or a figure I have ever used in my life until I got to Washington. I do not know where else in the world that applies other than in the Congress, the term trillion—$14.3 trillion is our debt.

Our kids already owe $46,000. My oldest is only 11 and already owes $46,000. Our total debt is about to reach the size of our entire economy. That is kind of the framework in which we are operating when we discuss this.

I actually think we are closer to some sort of an agreement than a lot of people realize. I have heard the term

thrown around in the last couple of days, ''a balanced approach'' to dealing with it. And I think there is agreement that there has to be a balanced approach. I certainly have always said you cannot simply cut your way out of this problem. You have to have a combination of cuts and growth, growth in revenues to government. I think the debate is—the debate is—how do you accomplish these two things. I am not going to focus so much on the cut part of it today. I want to focus on the revenue part of it, because that is the part the President and some of my colleagues here have focused on over the last days, this idea of getting more revenue, or this new term ''revenue enhancers'' which is Washington talk for more money to the government.

According to the President, for some in his party—most in his party, I should say—the idea is simple. They think there is a bunch of people out there in America who are making a lot of money, more money than maybe they should be making, and they need to pay more in taxes; if these people pay more in taxes, then all of these problems will get a lot easier to deal with. That is kind of the viewpoint they bring to this debate.

I know tomorrow we will be voting here on the floor on something the majority leader has offered, something called a sense of the Senate, which people watching at home are probably wondering what that is about. Well, that basically means what is on the Senate's mind.

The sense of the Senate we are going to be voting on tomorrow is basically that you have a bunch of people in this country who make over $1 million, and that these people need to do more to help with the debt. That is basically the sense of the Senate that there is going to be a vote on tomorrow. It is very interesting. So I looked at it, because ultimately this is a serious issue. So let's explore this with an open mind. Let's not be doctrinaire. Let's not be blindly ideological. Let's look at this from a commonsense perspective, this idea that if all of these millionaires and billionaires paid more taxes, these problems will be solved. Let's analyze it, because this is all about math.

Here is the fact. The fact is it does not solve the problem. First of all, if you taxed these people at 100 percent—basically next year you said: Look, every penny you make next year the government is going to take from you—it still does not solve the debt.

Not only does that not solve the debt problem, but I looked at a host of other—there are some great publications that came out today from the Joint Economic Committee. Our colleague Senator DEMINT is the chairman. It kind of outlines some of the tax increases being proposed by our colleagues in the Democratic Party and the President to solve the debt problem.

You add them all up, you add all of these things up—the jet airplanes, the oil companies, all the other things they have talked about. You put them all together in one big batch, and you know what it does? It basically deals with 9 days and 23 hours worth of deficit spending—9 days and 23 hours—it does not even get to 10 days of deficit spending. That is how much it solves.

So all of this talk about going after people who make all of this money, it buys you 9 days and 23 hours. Let's round it off. Let's give them the benefit of the doubt. It buys them 10 days of deficit spending reduction. That is what all of this rounds up to.

Here is the bottom line. These tax increases they are talking about, these so-called revenue enhancers, do not solve the problem. So what do we do then? Because clearly we have to do two things. One, we have to hold the line on spending. If you keep digging yourself in the hole, the hole is going to bury you. But the other thing is, how do you start generating revenue for government so it can start paying down this debt. That is what the debate should be about.

We already know these taxes they are talking do not work. So here is what works. Here is what I would suggest works, in a balanced approach—using the President's terminology. Let's stop talking about new taxes and start talking about creating new taxpayers, which basically means jobs.

Here in Washington, this debt is the No. 1 issue on everyone's mind, and rightfully so. It is a major issue. But everywhere else in the real world, the No. 1 issue on people's minds is jobs. And I will tell you every other problem facing America—the mortgage crisis, home foreclosure crisis, this debt problem—all of these issues get easier to deal with as people are gainfully employed across America. The impact that unemployment is having across this country is devastating. We hear about unemployment in facts and figures. They give us numbers: Oh, X percent people are unemployed. Well, there are stories behind every one of those people.

Do you know who a lot of these people are who are unemployed in America? They are people who have done everything they have been asked to do and they have done it right. Maybe they served their country overseas. Maybe they went to college and got a degree and now came back home. Maybe they worked for 10 or 20 years and did a good job at work. And now you know what, they cannot find a job, or maybe they were lucky enough to find a job after losing their original job, but it pays them half as much and they work twice as long. That is the real face of unemployment in America, of people who are hurting.

Our job here is to do everything we can to make it easier for them to find a job, not harder. I think that is what we have to do when it comes to a balanced approach and when we talk about revenue. We do not need new taxes. We need new taxpayers, people who are gainfully employed making money and paying into the tax system. Then we need a government that has the discipline to take that additional revenue and use to it pay down the debt and never grow it again. That is what we should be focused on. That is what we are not focused on.

So you look at all of those taxes that are being proposed. Here is what I say: I say we should analyze every single one of them through the lens of job creation, issue No. 1 in America. I want to know which one of these taxes they are proposing will create jobs. I want to know how many jobs are going to be created by the plane tax. How many jobs are going to be created by the oil company tax that I heard so much about? How many jobs are created by going after the millionaires and billionaires that the President talked about? I want to know how many jobs do they create.

Because I will tell you—and I am going to turn it over to Senator AYOTTE in a second, because I am interested in her perspective of this as a job creator, as a spouse of a job creator who runs a small business, as someone like me who just came off the campaign trail.

Let me tell you something. I traveled the State of Florida for 2 years campaigning. I have never met a job creator who told me they were waiting for the next tax increase before they started growing their business. I never met a single job creator who has ever said to me: I cannot wait until government raises taxes again so I can go out and create a job. I am curious to know if they say that in New Hampshire, because they do not say that in Florida.

So my view on all this is, I want to know how many jobs these tax increases the President proposes will create, because if they are not creating jobs and they are not creating new taxpayers, they are not solving the problem.

I do not know what the Senator's perspective is on that.

Ms. AYOTTE. Mr. President, I could not agree more with what my colleague from Florida has said, that we need to create a positive climate to create jobs. But one thing we do know is that does not happen by more spending in Washington. The recent report that came out about the President's stimulus package has shown that it cost $278,000 per job created by that stimulus package. Yet we had to borrow so much money, nearly $1 trillion to create a limited number of jobs that cost us $278,000 a job.

I do come from a small business family. My husband started a landscaping and snow-plowing business. I worked with him to start that business. New Hampshire is a small business State. As I campaigned up and down our State, I talked to so many small business owners. I never had a small business owner tell me they were being taxed too little, please tax me more.

What I did hear was too many burdensome regulations from Washington

were coming down and making it difficult for our small businesses to thrive and grow. Frankly, some of the taxes coming down from Washington were making it difficult. In the health care bill, there was a tax on medical device companies. New Hampshire has nearly 50 of those companies. And what I heard from those companies—and I have heard that even more recently—is the tax in that health care bill on medical device companies is going to take away significant amounts of their research and development budget to create new products that will improve the quality of our health care and save lives.

So with the actions we are taking in Washington, we need to create a positive climate for our small businesses, not thinking that we create the jobs here in Washington. We know that it is those small businesses and the hard-working entrepreneurs and those who have a great idea in this country in the private sector who create those jobs. They do not need more taxes and burdens from Washington. What we need to do is frankly get out of their way and allow them to thrive and grow and to create jobs for all of our children going forward.

I do not know if the Senator heard from businesses in Florida about the regulatory concerns and burdens from Washington hurting economic growth in the private sector.

Mr. RUBIO. Well, the truth is that throughout the campaign and even now, that is what I hear all of the time from people, that these regulations are making it harder, not easier, for them to create jobs. That, combined with the uncertainty of the Tax Code—they do not know what the taxes are going to be next year. But they read the newspaper, they listen to the news, and every time they hear talk about this tax increase stuff, it scares job creators. They make this decision: Oh, wait. You know what, maybe this is not the year to hire people, because we still do not know how much it is going to cost to hire people.

The other great phrase here—both Senator AYOTTE and I have only been here a few months so I think we are still learning the language of Washington; I hope it never becomes part of my permanent vocabulary, but one of the things I have been hearing recently is this notion of everything should be on the table, which is funny because everything is not on the table according to the President and others.

For example, there is no serious discussion of a spending cap. I would love to have a vote. Why do we not have a vote on the balanced budget amendment? Why is that not on the table? Why is a balanced budget amendment not on the table? Why are we not voting on that tomorrow? Because a balanced budget amendment basically says you cannot spend money you do not have, which makes all of the sense in the world for the rest of the people who live in the real world. But, apparently, that doesn't apply here, and the results are these problems we face. I think something should be off the table. Bad ideas should be off the table. If something is a bad idea, it should not be on the table. It is a bad idea to pass things that will make it harder to hire people. How much higher do you want unemployment to be?

Here is what I think we have to ask ourselves: These tax increases Senator AYOTTE pointed out, along with the regulations that kill job creation in America—these do not raise enough money to do anything significant about the debt. They don't create jobs; in fact, they kill them. How could the tax increases they are outlining be part of the solution? Why is it being offered? These are smart people. They know the math. The answer lies in the politics of this, which is clear.

This appears to be an effort to save face. Everybody here knows there will have to be spending reductions at some level because we have a spending problem. It is the reason we are in this mess today. It is not because we don't pay enough taxes. We spend more money—a lot more money—than we have.

It appears to me that the President and others in his party are positioning and looking for some pound of flesh in return for these cuts so they can go to their political base and say: We got something out of this. We went after the people who make all this money—the greedy billionaires and millionaires and the oil companies—even though it has nothing to do with the debt.

That is the only explanation for why this is even on the table. I think anything that kills jobs should be off the table. I think anything that hurts the ability of the job creators to grow their business should be off the table. I think anything that helps increase the unemployment rate should be off the table. I think that is what should be off the table—anything that hurts our ability to grow our economy.

Things that force this government, once and for all, to put itself back on the path of sanity should be on the table. Sanity means we stop having a government that spends money it doesn't have.

I will turn it back over to Senator AYOTTE to close. I thank her for this opportunity. I thought it was important to bring these points to the floor.

Ms. AYOTTE. I thank Senator RUBIO for his leadership on this issue and for the important issues he has raised today because he is absolutely right that class warfare is unproductive.

The proposals the President has made are not serious in terms of how much revenue they would even address—not even 10 days' of our debt. Unfortunately, right now, the leader of the Senate has brought forward a resolution, a nonbinding sense of the Senate, that does nothing to address the spending in Washington, and we are spending over 24 percent of our GDP, or our economy, right now. Historically, we have spent about 20 percent of our GDP. Our spending is way out of line from where we have been over the 40-year historical level. Common sense tells us, why not a balanced budget amendment? Why aren't we addressing that instead of a nonbinding resolution that, again, will have no effect—will not reduce our deficit, will not help create any jobs, and will not help our economy thrive? We should be addressing real legislation—a balanced budget amendment.

I could not agree more with my colleague from Florida about living within our means. Families sit around their kitchen tables and make the tough decisions. They see the revenue coming in and the expenditures going out. Washington should do the same. Spending caps will ensure that we put handcuffs on Congress to make sure we are not spending this drastic 24 percent of our GDP and putting ourselves on a more responsible spending path going forward, and a budget resolution.

It has been nearly 2 years since the Senate has passed a budget. No business would run without a budget. Families make budgets. Here in the Senate, what we should be bringing to the floor is a real budget resolution that the parties can debate to put ourselves on a responsible fiscal path going forward rather than voting on a sense of the Senate that will, again, not have any impact and the full force of law.

With this August 2 deadline, it is time for real legislative proposals and solutions. We have put some ideas out there—a balanced budget amendment, a spending cap amendment, a real budget resolution. I hope my colleagues on the other side of the aisle will come forward so we can work on this fiscal crisis here and now so that my children and Senator RUBIO's children and all of our children and grandchildren will have greater opportunities in the greatest country on Earth.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, there is no question that we are at a point where we have to take substantial and painful steps to get our Nation's fiscal house in order. That is why we are rightfully working to tighten our Nation's belt at a time when American families are doing the same.

I am here to talk about one major difference in the way Republicans have proposed to go about addressing our budget and the way American families, who understand shared sacrifice and equal burden, have done it. I will point out one glaring omission in the Republicans' plan amid all their tough talk about fiscal responsibility.

I am here to ask Republicans why they are asking everyone to sacrifice except those who can afford it the most?

I am here to ask them why they are willing to risk not only defaulting on our Nation's debt but also the health care and benefits our veterans rely on,

pay for our troops, Social Security benefits, and the Medicare system our seniors are counting on—all to defend tax breaks for oil and gas companies, sweetheart deals for corporations, and the most generous tax rates wealthy Americans have enjoyed in 60 years.

Sometimes it is hard for me to listen to some of my Republican colleagues talk at length about their newfound fiscal sensibilities on the Senate floor and in the press. It is difficult because, like many of them, I was here in 2000. I remember when President Clinton left office. We were on a course to completely pay down the $5.6 trillion debt by 2012. I remember the projection of surpluses. I remember the efforts by many of us to safeguard that funding for our seniors and to pay down that debt. But I can also remember at that time many Republicans could not wait to get their hands on the Nation's credit card. When they did—when President Bush took office—they spent lavishly.

A lot of that spending went to some of our Nation's wealthiest individuals and companies. Throughout the Bush years—and particularly in the Bush tax cuts of 2001 and 2003—trillions of dollars in tax breaks went to the very wealthiest Americans.

There were capital gains tax rollbacks, tax breaks designed to benefit corporate giants, and a new tax bracket that provided wealthy Americans the lowest tax rates they have enjoyed since World War II. These tax breaks were all unpaid for, all handed out to those who could most afford to pay, and they were all put on the Nation's credit card.

Now that that credit card bill has come due, guess who will not be asked to pay their fair share? Unfortunately, under the Republican plan, it is the wealthy companies and individuals who have benefited the most from their spending. It is corporations such as ExxonMobil that despite reporting a profit of over $10 billion in the first quarter of this year—at the same time, by the way, that gas prices for families across this country are rising—they are being protected from a rollback of tax subsidies for oil and gas giants.

It is corporate CEOs who are lobbying against closing the tax loophole that they enjoy for private jets and yachts. It is companies that all too often ship American jobs overseas but still enjoy offshore tax havens.

Guess who has drawn a line in the sand to protect these corporations and wealthy individuals? It is the very same Republicans who were so quick to break out the Nation's credit card when we were running a surplus, the same Republicans who have repeatedly pledged to block any new revenue—even as we have met them far beyond halfway in these negotiations.

Finally, guess who it is who is left to pick up the credit card tab under the Republican plan? Unfortunately, it is everybody else. It is seniors who, under the Republican budget, will lose access to Medicare as we know it; it is students who will be asked to pay more even as tuition rises; it is family farmers and those who can't afford health care for their children; it is the middle-class families who have found themselves living paycheck to paycheck.

If Republicans get their way, it will be everybody but those who can afford it most who will be left to sacrifice alone.

Unfortunately, the Republican approach is something that has become all too common in the aftermath of this recession.

While the effect of this recession is being felt profoundly by working families in lost jobs, lower wages, and less financial security than ever before, the very wealthiest Americans seem to be doing pretty darn fine.

On Sunday I picked up the New York Times and noticed they ran an article that showed that the salaries of CEOs at America's largest companies grew by an average of 23 percent over last year's mark. However, the same article noted that over the past year, the pay for average workers had declined. It didn't even mention the thousands of layoffs at the same companies where those bonuses have skyrocketed.

Unfortunately, that is the same economic theory that Republicans are bringing to the budget negotiations. For those who can't afford it, their budget provides all the perks, none of the sacrifices; all of the tax breaks, none of the revenues; all of the benefits, none of the pain.

It doesn't have to be this way. We can have a plan that works for middle-class families and invests in our Nation's future, a plan that balances tough but necessary spending cuts with new revenues that ensure corporations and wealthy Americans are also paying their fair share; that restores fairness to this process by making sure that in these difficult times we are not balancing our budget solely on the backs of seniors and students and middle-class families; and, most importantly, a plan that recognizes that, yes, we have a budget deficit and we need to address that, but we also have an infrastructure deficit, and we have an education and a skills deficit and, most importantly, we have a jobs deficit.

The only way that we will address those deficits is to invest in education, energy, and infrastructure—areas that will produce jobs both now and in the future.

Workers who lost their jobs through no fault of their own don't just want to hear about cuts, cuts, cuts. They want to hear about how we are going to create jobs. A small business owner who had to shut her doors when the recession hit and customers stopped coming in doesn't want to hear about debt ceilings. She wants to hear about how we are going to get the economy back on track.

It cannot just be about slashing; it also has to be about investing in jobs and workers in America. That is what we should be working together toward.

I understand that time is not on our side in this debate. The truth is, Republicans aren't merely offering their ''everybody pays except the rich'' philosophy up for debate; they are holding our Nation's economy hostage with it.

By refusing to accept new revenues from corporate tax loopholes and tying that refusal to the Nation's debt limit, they are rolling the dice on default. In fact, in my 18 years on the Senate Budget Committee, I have never seen anything like what Republicans are willing to risk in these budget negotiations and who they are willing to risk it all for.

Last week, the Bipartisan Policy Center put out a report authored by a former Bush Treasury official about what would happen if Republicans continued to play chicken with default and the administration was forced to make desperate spending decisions in August. The scenarios were worse than grim.

Potentially at risk are the benefits and health care we owe our veterans, loans for struggling small businesses, food stamps for people who are struggling to buy groceries, Social Security checks for our seniors, unemployment benefits for millions of workers who are desperately seeking jobs, and even Active-Duty pay for our military. Yet by rejecting revenues in this deal, and by not asking everybody to sacrifice, and by dealing in ultimatums rather than compromise, Republicans are willing to put all these Americans at risk; and they are willing to risk it all in order to go to the mat to protect millions of dollars in tax breaks for the wealthiest few.

They are willing to chance loans for Main Street businesses in order to defend offshore tax breaks for multinational companies. They are willing to jeopardize troop pay in order to stand up for hedge fund managers. They are willing to gamble default on tax breaks for horse tracks.

I believe that is a bet we all lose.

Mr. President, we were elected to work for all Americans, not just the privileged few at the top. It is time for our Republican colleagues to come to the table with flexibility. It is time for compromise. It is time for common sense. And it is time to ask everyone to sacrifice to meet a challenge we all face together.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I have heard a lot of talk on the Senate floor, including from the last speaker, and certainly from the President of the United States about shared sacrifice. The White House spin is that the Democrats in the negotiations about extending the debt ceiling have conceded hundreds of billions of dollars in savings and Republicans have conceded nothing and therefore Republicans need to be willing to raise taxes. That is the mantra. That is the spin.

But there are two things wrong with this spin: First, it is wrong as a matter

of fact, as I will point out, and second, it would result in very bad policy. As Senator RUBIO said a moment ago, the only thing that should be off the table is bad policy, and certainly anything that would hurt our economy and job creation at this time is bad policy.

First with regard to the assertion from some in the White House that Democrats have made all the concessions and so it is the Republicans' turn—the last speaker, as a matter of fact, said, and I will quote her directly, ''Everybody pays except the rich.'' Well, I would like to point out why that is absolutely not the case.

The negotiations Vice President BIDEN has presided over have talked about two different kinds of savings: on the discretionary side, which is the budget we deal with every year, and on the mandatory side, which is spending programs such as Medicare, Medicaid, some of TRICARE, some veterans' benefits, Social Security, and things of that sort.

If the savings the White House has attempted to portray as all coming from Democratic concessions refers to the discretionary part of this pie, then I would simply say that is a false statement because we haven't discussed it. What we have talked about is setting a top-line budget number—a so-called 302(a) number in budget parlance—and that is what the Members of the House and Senate would then have to spend. But there has been no discussion of where those savings come from, so it simply would be wrong to say there has been any kind of negotiation about where those savings come from and the Democrats have made all of the concessions. There have been no concessions made by either side, as a matter of fact.

If it is the mandatory side we are talking about, it is true we have had a lot of discussion about savings that can result from changes in the way we operate some of these mandatory programs. Now, we are not talking about any major reform of Medicare or anything of that sort, but if I can just sort of characterize something in a very loose way as waste, fraud, and abuse, there are a lot of savings that can occur in various programs, and there are even some revenue increases that can result from increased fees and that sort of thing that do result in some additional savings overall on the mandatory side.

In terms of the revenue increases, I would point out that between $153 billion and over $200 billion of the money on that side of the ledger actually comes from increased revenues. So when the White House says: Well, revenues have to be on the table, the fact is that revenues have been on the table. We have been talking about increased revenues. We are not talking about increasing taxes. But if the government sells something and gets money from it, that is revenue. If there is a user fee of some kind and we want to raise that to keep up with the times, that is revenue. And if you add up all of the revenues we have agreed to, we Republicans have agreed to between $150 billion and $200 billion. So it is simply false to suggest that we haven't been willing to talk about revenues and that all of the concessions have been on the Democratic side.

We have also had some spending reductions or less rate in the growth of spending in some of these mandatory programs on the table for discussion, and about 60 percent of those, in my calculation, are concessions Republicans have made, and about 40 percent are concessions Democrats have made. My Democratic counterparts would probably argue it is somewhat different, from their point of view, but the fact is both sides have made concessions. And even if you concede they are 50–50, the fact is, therefore, Republicans have made as many concessions in these negotiations as have our Democratic colleagues.

By the way, one reason we have both been willing to make concessions is we agree we are in a dire circumstance here, and we sometimes have to get out of what we call our comfort zone and agree to what in ordinary times we would never agree to but we realize now we have to make some changes. So we are willing to make concessions that ordinarily we wouldn't, and we have, and so have the Democrats. The net result, as I said, I think it is 60–40 on our side, plus all the revenues we have conceded. But if somebody on the other side said: No, it is 50–50, or something on that order, I wouldn't argue. But the fact is, it is false and misleading for the White House to suggest that all of the concessions have been made by the Democrats and none have been made by Republicans. That is simply factually incorrect.

The second thing that is wrong with this spin is that, as Senator RUBIO said, bad ideas should be off the table, and it is a bad idea to raise taxes on an economy that is already sick. I mean, the last thing we should be doing is raising taxes, as a result of which job creation would be inhibited. It is the worst medicine for a sick economy.

I asked one of my Democratic colleagues why, since we shouldn't be raising taxes at this point in time, there was such an insistence on his side. His response was: Well, you have to understand, with us, it is kind of theological. Well, maybe it is theological, but I would argue that ideology here has a place to the extent that it is backed up by reality, but ideology that is not backed up by reality has no place in these negotiations. And raising taxes just for the sake of raising taxes, so that somebody can say to their constituency: Well, we did it, we were able to raise taxes, is not a sound way to approach the problem.

Thomas Sowell, one of the most erudite observers of the American scene, wrote, in National Review Online on July 5, a piece he titled ''Politics vs. Reality.'' It goes to this point.

Mr. President, I ask unanimous consent to have printed in the RECORD this article at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. KYL. The whole point here about raising taxes is this should not be about shared sacrifice. It shouldn't be about sacrifice at all. We are not talking about austerity. We should be talking about prosperity—in other words, the conditions by which everyone can do well, and specifically, how we can create jobs, how we can put Americans back to work, and how our economy can grow.

As I said, the worst medicine for a sick economy is raising taxes, and that is why Republicans oppose tax hikes and not because, for example, I have some interest in protecting some Hollywood movie millionaire. I don't. The person is probably not in my political party. What I have an interest in is protecting America's small businesses so they do not go broke and so they do not have to close up shop because higher taxes were imposed on them. That is exactly what the President's own Small Business Administration Office of Advocacy said would happen with one of the taxes they propose to raise; that is, repealing LIFO, which is an accounting term meaning last in, first out. The SBA Office of Advocacy said repealing LIFO ''would result in a tax increase for small businesses that could ultimately force many small businesses to close.'' That is from the President's own Office of Advocacy for the SBA. That is what I oppose—putting small businesses out of business just because of some theological attachment to raising taxes.

Accountants have talked for a long time about what the best method of accounting is. The IRS has always said LIFO is perfectly acceptable, and about 36 percent of American businesses—primarily retailers and manufacturers—use this accounting technique. It would be fine if we decide to say: Well, we are going to go to a different technique. What would be wrong is to retroactively impose a tax on people who have been using this accounting method as though they have been doing something wrong. They haven't. The IRS has always said LIFO is fine. But it is all about revenue. We need more money to spend, so we are going to retroactively tax 36 percent of American businesses that use this accounting method. That is wrong, and that is why the Small Business Administration Office of Advocacy has said this could put many small businesses out of business. It is why we shouldn't be considering it.

What are the other taxes they propose? Well, one of them is to cap itemized deductions, so you would only be able to deduct either 28 percent or maybe up to 35 percent of your income. Obviously the first effect of this is to make it much more difficult for Americans to contribute to charity, to buy

homes because they wouldn't have the advantage of the mortgage interest deduction, or to pay medical expenses, and so on. As the Wall Street Journal has editorialized, this is just a backdoor way of raising marginal tax rates without actually appearing to do so.

But the biggest problem with this capping of deductions is not that it is going to hurt the millionaires. They are either going to be caught by the AMT or their income is so high they are even going to be paying above AMT rates notwithstanding these limits on deductions. The real people this hurts are the small business owners who pay in the higher bracket. We know that 50 percent of small business income falls in the top two brackets. Businesses have deductions that are the ordinary and necessary part of doing business. All businesses are allowed to take them, both corporate and noncorporate. Why would we eliminate the ability of small businesses to take the same kinds of deductions corporations can take by capping the amount of deductions that could be taken in income reported in the top two brackets?

The final point about this is we know that efforts to tax millionaires and billionaires always end up taxing a lot more people than that. According to the IRS, in 2008 there were only about 319,000 tax returns that showed an income of $1 million or more, but the number of returns falling in the top two brackets—the ones affected by this proposal of the Democrats—numbered more than 3.6 million people. These would be the people who are affected by this proposed increase in taxes.

I would just parenthetically note two others. The last millionaire tax was the alternative minimum tax. It was created in 1969 and targeted against 155 millionaires. Guess how many people it will apply to this year. It will apply to 34.4 million Americans. So when you aim for the millionaires, you end up getting everybody else.

The third tax the Democrats talk about raising is the old favorite: Big Oil. This is so targeted, it only hits five companies in the whole world, five American companies. Never mind that we are punishing American businesses—American oil companies—that are in the same business as other companies all over the world that are not being punished. No, we are going to attack American businesses that, by the way, employ 9.2 million Americans. We are going to say they have to pay higher taxes than other businesses just like them.

There are three particular tax provisions.

Other businesses get to take an R&D tax credit—research and development. Aren't we all for research and development? Yes, but not in the oil and gas industry. And where might they put that research and development money? Well, for example, into ensuring that when they sink a well deep in the Gulf of Mexico, it will be environmentally safe. Nope, you can't deduct that. All other businesses will be able to but not you. What sense does that make? It is bad policy.

How about the usual and necessary business expense, the deduction for writeoffs for business investment? All other companies get to deduct that, but we would say to the oil companies: You don't get that same deduction.

Perhaps most perniciously, we are trying to compete with foreign businesses, so we would say to Americans who earn income abroad: You can deduct against the taxes you would owe here the taxes you pay over there. All of the other world nations get to do that. They would take that away from these particular kinds of companies.

So this is discriminatory, it is job killing but, most of all, it impacts American consumers directly because every dollar of increased taxes is going to find its way into the price we pay at the gas station when we buy gas. Now, whom does that hurt, therefore? Does it hurt some millionaires and billionaires? Who owns the oil companies? Well, a lot of pensions do, a lot of retired teachers and firefighters and so on.

People have to think this through. You are not hitting millionaires and billionaires. I know it sounds like good rhetoric, but when you are hitting American businesses that try to compete around the world and that develop a product we would like not to have to pay four bucks a gallon for, the last thing you want to do is to play politics by saying: Well, for those particular folks, we are going to raise their taxes.

I remember the last time we raised taxes on another millionaire kind of outfit, the yachts. It was a luxury tax that we opposed back in 1990, and it seemed like a good idea, just like this tax they were talking about imposing on airplanes. They didn't actually talk about that in our meeting, so I don't know exactly what it is. But they say it would raise $3 billion over 10 years, which pays for hardly a fraction of the $14 trillion debt we have. Nonetheless, they want to go after private airplanes.

I don't know how many people work in the private airplane manufacturing business. But it was interesting that in 1990 when the luxury boat tax was passed, there were 7,600 jobs lost in the boating industry. Very quickly the people who made the boats, a lot of them up in Massachusetts, decided this wasn't such a hot idea and so they repealed the tax in 1993. By the way, it lost revenue because of the unemployment benefits and lost income tax revenue had to be developed in order to offset the loss in business.

The point of all of this is that when the administration and others talk about shared sacrifice, of making some kind of rich business or rich person pay taxes, you have to think through what the effect is on the American economy and on job creation. The reason Republicans oppose these is not because we love the person who pays the tax so much as we wish for American jobs to be created, or at least not have more jobs lost. And the people who are proposing these tax cuts seem to be absolutely oblivious to the effect their proposals would have on hard-working Americans.

My colleague from Washington State a moment ago said, and I will quote her again: Everybody pays except the rich under Republicans' idea of how things ought to be.

I think I pointed out that is not true. But in case anybody needs a reminder of who pays income taxes in the country: The top 1 percent pays 38 percent of all income taxes. The top 10 percent pays 70 percent. The bottom 40 percent pays no personal income tax.

So is it true that everybody pays except the rich? No. The rich pay by far and away most of the taxes paid in this country, and a lot of people believe that is as it should be. We have a progressive system. The rich can afford to pay more, and so we expect more from them. But let's not demagog the issue and suggest that isn't true. It is true. The rich do pay more, and we have decided in this country that they should. But how much more do you want them to pay? Ninety percent? Ninety-five percent? How about 100 percent? How much revenue do you think we could get from somebody if we said he is going to have to pay 100 percent of what he earns in income taxes? We know there are two rates at which you generate exactly zero revenue: zero and 100.

So when we talk about shared sacrifice, let's put this into perspective and let's realize we are not talking about sacrifice in the sense of trying to hurt people or austerity so much as we are talking about prosperity. And you don't create more prosperity with job-killing taxes.

I want to add one other thing for the record here. There are two publications that note areas in which we could save hundreds of billions of dollars if we were willing to discuss them. When we talk about things that are on the table or off the table, here are two things our Democratic friends have said are not on the table: We will not talk about fraud in the unemployment insurance system or fraud in Medicare and Medicaid. According to these two articles, which I will ask to be put in the RECORD, there are tens of billions of dollars in each where we could save the taxpayers money, money that is being paid out now to either downright crooks or being paid inappropriately to people who don't qualify.

Since 1986, the GAO has published at least 158 reports about Medicare and Medicaid fraud, for example. In 1993, Attorney General Janet Reno declared health care fraud America's No. 2 crime problem, right behind violent crime. These are off the table, some of our Democratic friends say. Well, we think this is a way in which we can save money without requiring others to have to sacrifice.

Mr. President, I ask unanimous consent to have printed in the RECORD the

piece by Michael Cannon in the National Review On Line dated July 4, and the piece by Paul Davidson from USA Today dated July 5 at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. KYL. I appreciate my colleagues' indulgence here.

Mr. President, the bottom line is that when we talk about shared sacrifice, we need to appreciate that in the negotiations that have been occurring Republicans have made a lot of concessions, and that the reason we oppose the concession of raising taxes is not because we have some ideological attachment to somebody who makes a lot of money but, rather, because we have an ideological attachment to the American worker who needs a job or who needs his or her job protected. From what we understand, the taxes that have been proposed by our Democratic colleagues would all be job killers. At the time our economy is in the unhealthy state it is, the worst medicine is job-killing taxes.

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

Mr. KYL. Mr. President, I would be happy to yield. I am also happy to conclude. I think we are rotating between Democrat and Republican.

Mr. WHITEHOUSE. I don't want to step on your colleagues' time.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. One of the things I have been tracking is the share of wealth, income, and taxes at various percentages toward the top. The Senator was good enough to mention that the top 1 percent pays about 28 percent of the taxes, the top 5 percent pays a little over 44 percent of the taxes, and the top 10 percent pays 55.4 percent of the taxes.

But I think in order to get a complete picture, it is also important to note that the top 1 percent controls 24 percent of the income, the top 5 percent controls 39 percent of the income, and the top 10 percent controls 50 percent of the income. If you go to wealth, the top 1 percent controls 33.8 percent of the wealth, the top 5 percent controls 60.4 percent of the wealth, and the top 10 percent controls 71.5 percent of the Nation's wealth.

So if you are in the top 10 percent and you control 71.5 percent of the Nation's wealth, it doesn't seem to be unreasonable that you should be paying 55 percent of the Nation's taxes, particularly if you are taxing based on dollars and not on just number of people.

I don't know if those numbers are wrong. We got them from the Federal Reserve Board, from the IRS, and from the Congressional Budget Office. I think they are accurate. It would appear to show that at the very high end, although these individuals are paying considerable taxes toward our Nation's economy, they are paying considerably less than the amount of wealth they control and not much more than the amount of income they control. In a graduated system of progressive taxation, which we are supposed to have, that is not surprising. In fact, what is surprising is that the top 24 percent of the income only pays 28.3 of the taxes.

Mr. KYL. Mr. President, I am not sure where the question is in there. But what I would say in response is, with all due respect to my colleague, his numbers are absolutely wrong. I don't have at my fingertips the precise figures, but I can tell you this—by the way, I don't also know what you mean by ''in charge of wealth.'' In terms of who owns wealth or income, the people in the upper brackets pay far more in taxes than the percentage of wealth as a percent of the economy, and I would be happy to supply those figures to my colleague. And there is a difference between income taxes and all other taxes as well, and that chart doesn't suggest which is which.

I would be happy, though, to demonstrate to my colleague that whether you are talking about income taxes or all taxes, the upper income level pays far and away the higher percentage than those in the lower portion, and in taxes they pay more than the percentage of wealth that they create or that they earn.

The bottom line is that I think anybody making the argument that there is not shared contribution to the revenues of the country by the upper income would be making a false argument. I know that is not the argument my colleague is making, because he agrees with the progressive income tax system and has pointed out that it is progressive even by the numbers you have.

But let's do this, because I respect my colleague. I will get the numbers I rely upon, you get the numbers you think you rely upon and the sources of each, and you and I can agree to come to the floor at an appropriate time convenient to us both, and then we can both have the data at our fingertips from which we can make our respective arguments.

Mr. WHITEHOUSE. I would be delighted to do that. And I might actually throw in the data from the IRS that shows that the top 400 income earners in the country in the most recent period that they have actually gone back and done the calculation paid 18.2 percent total taxes, which is less than I think the average American, certainly the average middle-class American family pays. So there is this reversal at the high end where people actually end up paying less.

Indeed, in one building in New York, the payment for the most recent year was 14.7 percent from the occupants, whereas janitors and doormen and security guards are paying up in the 20-percent ranges. It is not progressive in that sense. It is regressive at the high ends, according to those things. So let's get the information together, and we will have that discussion.

Mr. KYL. Sure. And on that last point, it makes a larger point. When Congress tries to get the millionaires and the billionaires, those are the very people who can adjust their way of earning and of giving and of living so that they end up paying less in taxes. That is why it doesn't much matter what the rate of taxes is at the upper income. They are never going to pay more than a certain percentage, because they can afford the lawyers and the accountants to make sure that they don't pay more. It is the people in the middle income who can't do that, and they end up paying up what the IRS says they owe, and they can't adjust their way of living and giving in order to pay less in the way of taxes. Whatever deductions they get, they get, and they are going to have to live with those.

When we try to hit the upper income with higher rates, it generally doesn't work. That is another reason why we think it is an ineffective way.

Mr. WHITEHOUSE. That is why I think the loopholes need to be closed, and I thank the distinguished Senator for the colloquy.

EXHIBIT 1

[From the National Review Online, July 5, 2011]

POLITICS VS. REALITY

(By Thomas Sowell)

It is hard to understand politics if you are hung up on reality. Politicians leave reality to others. What matters in politics is what you can get the voters to believe, whether it bears any resemblance to reality or not.

Not only among politicians, but also among much of the media, and even among some of the public, the quest is not for truth about reality but for talking points that fit a vision or advance an agenda. Some seem to see it as a personal contest about who is best at fencing with words.

The current controversy over whether to deal with our massive national debt by cutting spending, or whether instead to raise tax rates on ''the rich,'' is a classic example of talking points versus reality.

Most of those who favor simply raising tax rates on ''the rich''—or who say that we cannot afford to allow the Bush ''tax cuts for the rich'' to continue—show not the slightest interest in the history of what has actually happened when tax rates were raised to high levels on ''the rich,'' as compared with what has actually happened when there have been ''tax cuts for the rich.''

As far as such people are concerned, those questions have already been settled by their talking points. Why confuse the issue by digging into empirical evidence about what has actually happened when one policy or the other was followed?

The political battles about whether to have high tax rates on people in high income brackets or to instead have ''tax cuts for the rich'' have been fought out in at least four different administrations in the 20th century—under Presidents Calvin Coolidge, John F. Kennedy, Ronald Reagan, and George W. Bush.

The empirical facts are there, but they mean nothing if people don't look at them, and instead rely on talking points.

The first time this political battle was fought, during the Coolidge administration,

the tax-cutters won. The data show that ''the rich'' supplied less tax revenue to the government when the top income tax rate was 73 percent in 1921 than they supplied after the income tax rate was reduced to 24 percent in 1925.

Because high tax rates can easily be avoided, both then and now, ''the rich'' were much less affected by high tax rates than was the economy and the people who were looking for jobs. After the Coolidge tax cuts, the increased economic activity led to unemployment rates that ranged from a high of 4.2 percent to a low of 1.8 percent.

But that is only a fact about reality—and, for many, reality lacks the appeal of talking points.

The same preference for talking points, and the same lack of interest in digging into the facts about realities, prevails today in discussions of whether to have a government-controlled medical system.

Since there are various countries, such as Canada and Britain, that have the kind of government-controlled medical systems that some Americans advocate, you might think that there would be great interest in the quality of medical care in these countries.

The data are readily available as to how many weeks or months people have to wait to see a primary-care physician in such countries, and how many additional weeks or months they have to wait after they are referred to a surgeon or other specialist. There are data on how often their governments allow patients to receive the latest pharmaceutical drugs, as compared with how often Americans use such advanced medications.

But supporters of government medical care show virtually no interest in such realities. Their big talking point is that the life expectancy in the United States is not as long as in those other countries. End of discussion, as far as they are concerned.

They have no interest in the reality that medical care has much less effect on death rates from homicide, obesity, and narcotics addiction than it has on death rates from cancer or other conditions that doctors can do something about. Americans survive various cancers better than people anywhere else. Americans also get to see doctors much sooner for medical treatment in general.

Talking points trump reality in political discussions of many other issues, from gun control to rent control. Reality simply does not have the pizzazz of clever talking points.

EXHIBIT 2

[From the National Review Online, July 4, 2011]

ENTITLEMENT BANDITS

(By Michael F. Cannon)

The budget blueprint crafted by Paul Ryan, passed by the House of Representatives, and voted down by the Senate would essentially give Medicare enrollees a voucher to purchase private coverage, and would change the federal government's contribution to each state's Medicaid program from an unlimited ''matching'' grant to a fixed ''block'' grant. These reforms deserve to come back from defeat, because the only alternatives for saving Medicare or Medicaid would either dramatically raise tax rates or have the government ration care to the elderly and disabled. What may be less widely appreciated, however, is that the Ryan proposal is our only hope of reducing the crushing levels of fraud in Medicare and Medicaid.

The three most salient characteristics of Medicare and Medicaid fraud are: It's brazen, it's ubiquitous, and it's other people's money, so nobody cares.

Consider some of the fraud schemes discovered in recent years. In Brooklyn, a dentist billed taxpayers for nearly 1,000 procedures in a single day. A Houston doctor with a criminal record took her Medicare billings from zero to $11.6 million in one year; federal agents shut down her clinic but did not charge her with a crime. A high-school dropout, armed with only a laptop computer, submitted more than 140,000 bogus Medicare claims, collecting $105 million. A health plan settled a Medicaid-fraud case in Florida for $138 million. The giant hospital chain Columbia/HCA paid $1.7 billion in fines and pled guilty to more than a dozen felonies related to bribing doctors to help it tap Medicare funds and exaggerating the amount of care delivered to Medicare patients. In New York, Medicaid spending on the human-growth hormone Serostim leapt from $7 million to $50 million in 2001; but it turned out that drug traffickers were getting the drug prescribed as a treatment for AIDS wasting syndrome, then selling it to bodybuilders. And a study of ten states uncovered $27 million in Medicare payments to dead patients.

These anecdotes barely scratch the surface. Judging by official estimates, Medicare and Medicaid lose at least $87 billion per year to fraudulent and otherwise improper payments, and about 10.5 percent of Medicare spending and 8.4 percent of Medicaid spending was improper in 2009. Fraud experts say the official numbers are too low. ''Loss rates due to fraud and abuse could be 10 percent, or 20 percent, or even 30 percent in some segments,'' explained Malcolm Sparrow, a mathematician, Harvard professor, and former police inspector, in congressional testimony. ''The overpayment-rate studies the government has relied on. . .have been sadly lacking in rigor, and have therefore produced comfortingly low and quite misleading estimates.'' In 2005, the New York Times reported that ''James Mehmet, who retired in 2001 as chief state investigator of Medicaid fraud and abuse in New York City, said he and his colleagues believed that at least 10 percent of state Medicaid dollars were spent on fraudulent claims, while 20 or 30 percent more were siphoned off by what they termed abuse, meaning unnecessary spending that might not be criminal.'' And even these experts ignore other, perfectly legal ways of exploiting Medicare and Medicaid, such as when a senior hides and otherwise adjusts his finances so as to appear eligible for Medicaid, or when a state abuses the fact that the federal government matches state Medicaid outlays.

Government watchdogs are well aware of the problem. Every year since 1990, the U.S. Government Accountability Office has released a list of federal programs it considers at a high risk for fraud. Medicare appeared on the very first list and has remained there for 22 straight years. Medicaid assumed its perch eight years ago.

How can there possibly be so much fraud in Medicare and Medicaid that even the ''comfortingly low'' estimates have ten zeros? How can this much fraud persist decade after decade? How can it be that no one has even tried to measure the problem accurately, much less take it seriously? The answers are in the nature of the beast. Medicare and Medicaid, the two great pillars of Pres. Lyndon Johnson's ''Great Society'' agenda, are monuments to the left-wing ideals of coerced charity and centralized economic planning. The staggering levels of fraud in these programs can be explained by the fact that the politicians, bureaucrats, patients, and health-care providers who administer and participate in them are spending other people's money—and nobody spends other people's money as carefully as he spends his own. What's more, Medicare and Medicaid are spending other people's money in vast quantities. Medicare, for example, is the largest purchaser of medical goods and services in the world. It will spend $572 billion in 2011. Each year, it pays 1.2 billion claims to 1.2 million health-care providers on behalf of 47 million enrollees.

For providers, Medicare is like an ATM: So long as they punch in the right numbers, out comes the cash. To get an idea of the potential for fraud, imagine 1.2 million providers punching 1,000 codes each into their own personal ATMs. Now imagine trying to monitor all those ATMs.

For example, if a medical-equipment supplier punches in a code for a power wheelchair, how can the government be sure the company didn't actually provide a manual wheelchair and pocket the difference? About $400 million of the aforementioned fines paid by Columbia/HCA hospitals were for a similar practice, known as ''upcoding.''

And how does the government know that providers are withdrawing no more than the law allows? Medicaid sets the prices it pays for prescription drugs based on the ''average wholesale price.'' But as the Congressional Budget Office has explained, the average wholesale price ''is based on information provided by the manufacturers. Like the sticker price on a car, it is a price that few purchasers actually pay.'' Pharmaceutical companies often inflate the average wholesale price so they can charge Medicaid more. Teva Pharmaceuticals recently paid $27 million to settle allegations that it had overcharged Florida's Medicaid program by inflating its average wholesale prices, and the Department of Justice has accused Wyeth of doing the same. Merck recently settled a similar case.

Most ominously, how does the government know that people punching numbers into the ATMs are health-care providers at all? In his testimony, Malcolm Sparrow explained how a hypothetical criminal can make a quick million: ''In order to bill Medicare, Billy doesn't need to see any patients. He only needs a computer, some billing software to help match diagnoses to procedures, and some lists. He buys on the black market lists of Medicare or Medicaid patient IDs.'' With this information in hand, Billy strides right up to the ATM, or several at a time, and starts punching in numbers. ''The rule for criminals is simple: If you want to steal from Medicare, or Medicaid, or any other health-care-insurance program, learn to bill your lies correctly. Then, for the most part, your claims will be paid in full and on time, without a hiccup, by a computer, and with no human involvement at all.'' These schemes are sophisticated, so Billy might hire people within Medicare and at his bank to help him avoid detection.

Last year, the feds indicted 44 members of an Armenian crime syndicate for operating a sprawling Medicare-fraud scheme. The syndicate had set up 118 phony clinics and billed Medicare for $35 million. They transferred at least some of their booty overseas. Who knows what LBJ's Great Society is funding?

And there are other forms of fraud. An entire cottage industry of elder-law attorneys has emerged, for instance, to help well-to-do seniors appear poor on paper so that Medicaid will pay their nursing-home bills. Medicaid even encourages the elderly to get sham divorces for the same reason. It's all perfectly legal. It's still fraud.

Medicaid's matching-grant system also invites fraud. When a high-income state such as New York spends an additional dollar on its Medicaid program, it receives a matching dollar from the federal government—that is, from taxpayers in other states. Low-income states can receive as much as $3 for every additional dollar they devote to Medicaid, and without limit. If they're clever, states can get this money without putting any of their own on the line. In a ''provider tax'' scam, a

state passes a law to increase Medicaid payments to hospitals, which triggers matching money from the federal government. Yet in the very same law, the state increases taxes on hospitals. If the tax recoups the state's original outlay, the state has obtained new federal Medicaid funds at no cost. If the tax recoups more than the original outlay, the state can use federal Medicaid dollars to pay for bridges to nowhere. As Vermont began preparations for its Obamacare-sanctioned single-payer system this year, it used a provider-tax scam to bilk taxpayers in other states out of $5.2 million. In his book Stop Paying the Crooks, consultant Jim Frogue chronicles more than half a dozen ways that states game Medicaid's matching-grant system to defraud the federal government.

Since 1986, the GAO has published at least 158 reports about Medicare and Medicaid fraud, and there have been similar reports by the HHS inspector general and other government agencies. In 1993, Attorney General Janet Reno declared health-care fraud America's No 2 crime problem, after violent crime. Since then, Congress has enacted 194 pages of statutes to combat fraud in these programs, and countless pages of regulations.

Yet federal and state anti-fraud efforts remain uniformly lame. Medicare does almost nothing to detect or fight fraud until the fraudulent payments are already out the door, a strategy experts deride as ''pay and chase.'' Even then, Medicare reviews fewer than 5 percent of all claims filed. Congress doesn't integrate Medicare's myriad databases, which might help prevent fraud, nor does it regularly review the efficacy of most of the anti-fraud spending it authorizes. Many of the abuses noted above, such as those of the Brooklyn dentist, were discovered not by the government but by curious reporters poking through Medicaid records. The amateurs at the New York Times found ''numerous indications of [Medicaid] fraud and abuse that the state had never looked into,'' but ''only a thin, overburdened security force standing between [New York's] enormous program and the unending attempts to steal from it.

The federal government's approach to fraud is sometimes so inept as to be counterproductive. Sparrow testified that a defect in the strategy of Billy, our hypothetical criminal, is that he doesn't know which providers and patients on his stolen lists are ''dead, deported, or incarcerated.'' But Medicare's anti-fraud protocols help him solve this problem. When Medicare catches those claims, it sends Billy a notice that they have been rejected. ''From Billy's viewpoint,'' Sparrow explained, ''life could not be better. Medicare helps him 'scrub' his lists, making his fake billing scam more robust and less detectable over time; and meanwhile Medicare pays all his other claims without blinking an eye or becoming the least bit suspicious.''

Efforts to prevent fraud typically fail because they impose costs on legitimate beneficiaries and providers, who, as voters and campaign donors respectively, have immense sway over politicians. At a recent congressional hearing, the Department of Health and Human Services' deputy inspector general, Gerald T. Roy, recommended that Congress beef up efforts to prevent illegitimate providers and suppliers from enrolling in Medicare. But even if Congress took Roy's advice, it would rescind the new requirements in a heartbeat when legitimate doctors—who are already threatening to leave Medicare over its low payment rates—threatened to bolt because of the additional administrative costs (paperwork, site visits, etc.).

Politicians routinely subvert anti-fraud measures to protect their constituents. When the federal government began poking around a Buffalo school district that billed Medicaid for speech therapy for 4,434 kids, the New York Times reported, ''the Justice Department suspended its civil inquiry after complaints from Senator Charles E. Schumer, Democrat of New York, and other politicians.'' Medicare officials, no doubt expressing a sentiment shared by members of Congress, admit they avoid aggressive anti-fraud measures that might reduce access to treatment for seniors.

It's not just the politicians. The Legal Aid Society is pushing back against a federal lawsuit charging that New York City overbilled Medicaid. Even conservatives fight anti-fraud measures, albeit in the name of preventing frivolous litigation, when they oppose expanding whistle-blower lawsuits, where private citizens who help the government win a case get to keep some of the penalty.

Sparrow argued that when Medicare receives ''obviously implausible claims,'' such as from a dead doctor, ''the system should bite back. . . . A proper fraud response would do whatever was necessary to rip open and expose the business practices that produce such fictitious claims. Relevant methods include surveillance, arrest, or dawn raids.'' Also: ''All other claims from the same source should immediately be put on hold.''

Some of the implausible claims will be honest mistakes, such as when a clerk mistakenly punches the wrong patient number into the ATM. And sometimes the SWAT team will get the address wrong, or will take action that looks like overkill, as when the Department of Education raided a California home because it suspected one of the occupants of financial-aid fraud. How many times would federal agents have to march a handcuffed doctor past a stunned waiting room full of Medicare enrollees before Congress prohibited those measures?

''It seems extraordinary,'' Sparrow said, that the HHS Office of Inspector General recommends ''weak and inadequate response[s] . . . to false claims and fake billings'' and that Medicare ''fail[s] . . . to properly distinguish between the imperatives of process management and the imperatives of crime control.'' Extraordinary? How could it be any other way? Anti-fraud efforts will always be inadequate when politicians spend other people's money. Apologists for Medicare and Medicaid will retort that fraud against private health plans is prevalent as well, but this only drives home the point: Since employers purchase health insurance for 90 percent of insured non-elderly Americans, workers care less about health-care fraud, and have a lower tolerance for anti-fraud measures, than they would if they paid the fraud-laden premiums themselves.

The fact that Medicare and Medicaid spend other people's money is why the number of fraud investigators in New York's Medicaid program can fall by 50 percent even as spending on the program more than triples. That is why, as Sparrow explained in an interview with The Nation, ''The stories are legion of people getting a Medicare explanation of benefits statement saying, 'We've paid for this operation you had in Colorado,' when those people have never been in Colorado. And when you complain [to Medicare] about it, nobody seems to care.''

The Ryan plan offers the only serious hope of reducing fraud in Medicare and Medicaid. Its Medicare reforms, especially if they were expanded later, would make it easier for the federal government to police the program, and its Medicaid reforms would increase each state's incentive to curb fraud.

To see how the Ryan plan would reduce Medicare fraud, imagine that the proposal really were what its critics claim it is: a full-blown voucher program, with each enrollee receiving a chunk of cash to spend on medical care, apply toward health-insurance premiums, or save for the future. Instead of processing 1.2 billion claims, Medicare would hand out just 50 million vouchers, with sick and low-income enrollees receiving larger ones. The number of transactions Medicare would have to monitor each year would fall by more than 1 billion.

Social Security offers reason to believe that a program engaging in fewer (and more uniform) transactions could dramatically reduce fraud and other improper payments. As a Medicare-voucher program would, Social Security adjusts the checks it sends to enrollees according to such variables as lifetime earnings and disability status. The Social Security Administration estimates that overpayments account for just 0.37 percent of Social Security spending. Overpayments are higher in the Supplemental Security Income (SSI) program (8.4 percent), a much smaller, means-tested program also administered by the Social Security Administration. But total overpayments across both programs still come to less than 1 percent of outlays.

In reality, the Ryan ''voucher'' is much closer to the current Medicare Advantage program, through which one in four Medicare enrollees selects a private health plan and the government makes risk-adjusted payments directly to insurers. Skeptics will rightly note that, judging by the official improper-payment rates, Medicare Advantage (14.1 percent) is in the same ballpark as traditional Medicare (10.5 percent). Therefore, the Ryan plan should be seen not as a solution to Medicare fraud in itself, but as a step toward a vastly simplified, Social Security-like program in which the task of policing fraud is less daunting.

The Ryan plan would also vastly increase the states' incentive to curb Medicaid fraud. Just as a state that increases funding for Medicaid gets matching federal funds, a state that reduces Medicaid fraud gets to keep only (at most) half of the money saved. As much as 75 percent of recovered funds revert back to the federal government. In a report for the left-wing Center for American Progress, former Obama adviser Marsha Simon noted that ''states are required to repay the federal share . . . of any payment errors identified, even if the money is never collected.'' The fact that Albany splits New York's 50 percent share of the spending with municipal governments may explain why the Empire State is such a hot spot for fraud: No level of government is responsible for a large enough share of the cost to do anything about it. The result is that states' fraud-prevention efforts are only a tiny fraction of what Washington spends to fight Medicare fraud.

Ryan would replace Medicaid's federal matching grants with a system of block grants. Under a block-grant system, states would keep 100 percent of the money they saved by eliminating fraud. In many states, the incentive to prevent fraud would quadruple or more. Block grants performed beautifully when Congress used them to reform welfare in 1996. They can do so again.

The Ryan plan would not reduce Medicare and Medicaid fraud to tolerable levels, but neither would any plan that retains a role for government in providing medical care to the elderly and disabled. What the Ryan plan would do is reduce how much the fraudsters—many of whom sport congressional lapel pins—fleece the American taxpayer. And that is no small thing.

[From USA Today, July 5, 2011]

JOBLESS-BENEFITS FRAUD IS ON THE RISE

(By Paul Davidson)

State and federal regulators are cracking down on waste and fraud in the unemployment-insurance system, abuses that have hit record levels as unemployment claims surge in a weak economy.

In the 12 months through March, the overpayment rate was 11.6 percent—more than $1 for every $9 paid out. Labor Department figures show.

That's up from the 12 months ending in June 2010, when a record $16.5 billion, or 10.6 percent of the $156 billion in unemployment benefits disbursed to Americans, should not have been paid, according to the department.

The overpayment rate was 9.6 percent in fiscal 2009 and 9.2 percent in 2008.

Officials partly blame soaring unemployment, which forced state officials to use fraud-prevention workers to help handle an unprecedented wave of claims.

''They were using every person they could find,'' said Gay Gilbert, Labor's unemployment-insurance administrator.

Lawmakers say excess payments could go to legitimate jobless claims and help keep state unemployment trust funds solvent. About 9.3 million Americans receive benefits.

The main reason for overpayments is that some workers continue to receive unemployment checks even after they land a new job.

Another problem is that many employers fail to adequately provide state officials the reason an employee left the company so the worker's eligibility can be determined. Also, some workers receive benefits even when they don't comply with state job-search requirements.

How state and federal officials are trying to reduce overpayments:

A national directory of new hires lets states identify workers still receiving benefits even after they get a new job.

By the end of the year, all states must use the directory. Labor officials also plan to provide funds so overtaxed states can more frequently follow up and collect overpayments from scofflaws.

A new computer system makes it easier for employers to report why workers left their jobs. Only a few states use it, but the Labor Department is providing funds to encourage wider adoption.

New rules let states recover improperly paid benefits from U.S. income-tax refunds.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. It scared me for a minute, I thought we were almost engaging in a debate on the Senate floor. This could get interesting here.

I have great respect for both my colleagues who were making comments, and it will be an interesting discussion on the floor when they both have their respective numbers and we will look forward to that.

I want to say to my colleague from Arizona that what he says is exactly right. Raising taxes in tough economic times is a very difficult thing to do and is not stimulative of the economy. The way we need to see revenues increased—and I don't think there is any disagreement from anybody in the Senate or in the House that the 14.5 percent of GDP we are now seeing in revenues has got to be increased. But the way we need to increase it is enacting policies, whether they be tax policies or spending policies or otherwise, that will truly grow the economy, and we can do that with the right kind of policies that will not only in the short term stimulate the economy and show an increase in revenues, but will also have the same impact on the other side of the ledger, which is reducing spending.

We are now at an all-time high since World War II on the spending side, we are at an all-time low on the revenue side, and that is what has gotten us into this terrible fiscal problem we have today.

I concur with what the Senator from Arizona said, and I look forward to continuing to dialog with him as well as the Senator from Rhode Island about what needs to be done to get this gap closed.

Mr. President, I rise tonight to discuss the need for the American government to fundamentally change the way it conducts business. Congress and the President can no longer fail to make significant meaningful changes to our fiscal path. We must act now to ensure the safety and security of our Nation.

There is a mutual understanding from all involved in the ongoing debate that the current fiscal path our country is on will lead us to ruin. It is simply unthinkable to believe that we can continue to run deficits in excess of $1 trillion, on top of $14.3 trillion in accumulated debt, and remain the leader of the global economy. It is well known that the Federal Government will soon risk a potentially catastrophic default on its credit obligations. Clearly, any increase in the debt ceiling must come with substantial policy reforms and commitments that future spending and deficits are being addressed appropriately. Against this backdrop, we are being provided with a unique opportunity to review the underlying causes of our current path and potential effects we face.

Last week, the Congressional Budget Office released its long-term budget outlook. Their release shows debt increasing to approximately 200 percent of GDP by 2035, unless drastic and immediate changes are made.

Economists have told me that a debt equaling 90 percent of GDP is the tipping point, and that after that it is impossible to turn the situation around.

Under the same CBO scenario, interest costs alone in 2035 would reach 9 percent of GDP, and 9 percent of GDP is more than the United States currently spends on both Social Security and Medicare.

This body spends a considerable amount of time deliberating on matters of national security and, indeed, that is extremely important work. We must stay vigilant that any threats to this country are swiftly dealt with. However, ADM Mike Mullen, the Chairman of the Joint Chiefs, has said emphatically over and over again that our debt is the single greatest threat to our national security.

Admiral Mullen is not alone. The co-chairs of the President's own fiscal commission warned him of the need for swift action. Mr. Bowles and Mr. Simpson continue to speak almost daily of the importance of addressing our fiscal situation and continue to make impassioned pleas that this situation must be corrected and must be done so in the short term.

It is during these hard times that most Americans look to their elected representatives and the Chief Executive of the United States for guidance on these issues. The American people have waited for leadership on this issue and have demanded fiscal discipline. It is reprehensible that an issue of this magnitude and significance is subject to the partisan bickering and gamesmanship that often rears its head in politics. This is an issue that will determine the fate of our country. It deserves careful, serious, thoughtful deliberation and not political theater.

Not long ago the Senate held a series of votes on budget resolutions that everyone knew were destined to fail. The American people expect and deserve an honest budget debate and a honest budget process. While I am glad the President is now engaging in this debate, he, too, has not been forthcoming in helping to decide America's budget fate. He has not given those in his party instructions or guidance on how to address our fiscal situation, nor has he given the Congress as a whole a relevant plan. It would be reprehensible for these White House negotiations that are now underway to produce a last-minute proposal that leaves Congress no time to review the merits of the legislation or the immediate and lasting effects to the American people.

I have been on record many times before stating everything must be on the table when it comes to solving our debt problems, and I seriously mean that. We see daily the effects of oppressive debt on countries such as Greece and the fear and panic it creates for the citizens of that country. We must take the steps now to ensure we do not fall off the precipice, and that means looking at all of our options.

We must reduce discretionary spending, reform entitlements, simplify the individual and corporate code, and lower tax rates. This is a proven path to prosperity because the solution is based on both spending reduction and economic growth.

We have a model for this. The model is what Tip O'Neill and Ronald Reagan did in 1986. We saw an economy stimulated at a time when it really needed it by the elimination of tax expenditures and the lowering of tax rates—particularly on the corporate side. It is important on both the personal and corporate, but if we are truly going to expand our tax base and see revenues increase, then we need to put the corporations in this country that manufacture the finest quality of products of anybody in the world on the same level playing field as their competitors across the globe.

So it is of critical importance that we reform our Tax Code, make it simpler and more fair, and, particularly from a corporate level, make it more competitive from a worldwide perspective.

We must cut Federal spending in any way we can. Our current levels of discretionary and mandatory spending simply cannot be sustained. But we cannot solve our problems simply by reducing spending. We have to reform entitlements. We have to look at those issues that are very difficult for a lot of us to deal with, and we have to make some hard and tough decisions. The unfortunate part about this is we do not have a lot of time to do it.

I do not know the window. The window may be 6 months, it may be 12 months, it may be 2 years. No economist will give an exact definite prediction of how long this window continues. But we do know we were not able to predict the financial crisis that occurred in 2008. As Mr. Bowles has said time and time again, this is one crisis we can predict, so now is the time for policymakers in Washington to act.

It is job creation that will ultimately be the benefit to Americans once a strong and balanced Federal budget is in place. Slower economic growth results in dramatic job loss. Christina Romer, the former Chair of the White House Council of Economic Advisers, equated 1 percentage point of GDP with 1 million jobs annually.

We cannot allow the American people to suffer by not providing the economic basis for recovery and growth. A balanced Federal budget that is free of excessive debt will lead to a healthy economy and long-term sustainable job creation activities.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I rise today deeply concerned that our Republican colleagues, in their ideological haze, have lost sight of the facts and the real people at home whose lives will be affected by the choices we make. They are lost in an ideological haze, a political dust storm that is distorting the facts and confusing process and policy with political propaganda.

As the conservative columnist David Brooks has said, ''A normal Republican Party would seize the opportunity to put the country on a sound fiscal footing.'' He calls it ''the mother of no-brainers.'' But it is true, as many have said, that this Republican Party is not your grandfather's Republican Party. It is not even Ronald Reagan's Republican Party. This Republican Party is so far to the right that it cannot even see the center, where ideologies converge and good governance begins. This Republican Party sees the processes governing as one-sided—their side and no other.

Today, those on the far right wave the Constitution that established a form of government to protect us from tyranny yet see any form of compromise as defeat and the only clear victory is total surrender to their position.

Here we are, working to try to ensure that reason prevails. We have offered the largest spending cuts in a generation, asking that those cuts be accompanied by closing tax loopholes and ending tax giveaways and unreasonable subsidies to those who need them the least. But because almost every Republican has signed Grover Norquist's Americans for Tax Reform pledge to never ever raise any tax, and because they define closing tax loopholes as a tax increase even when the recipients themselves have said they do not need those tax breaks, we are forced into this position, hoping that logical, moderate voices on the other side will rise up, demanding that we do what is right for the American people.

In my view, ending subsidies to big oil companies does not fall under that pledge. Only in Washington would Republicans call ending $21 billion in tax breaks for big oil companies that will make $144 billion in profits a tax increase. It is not. It is not a tax increase; it is a measure of fairness. It is exactly what we need to do under the circumstances, and it is a reasonable offer by those of us on this side of the aisle.

Our job, in a representative democracy, is to represent the values of those who sent us here to do what is right for them, not wave a pledge and conveniently interpret the elimination of oil subsidies for multibillion-dollar profitable corporations or ethanol subsidies to the tune of $2 billion as a tax increase. That is nonsense. We are offering a reasonable compromise, as that conservative columnist David Brooks says, ''the mother of no-brainers.''

Even USA Today said in their editorial:

> Compromise is an essential part of democracy, but negotiating with Republicans over taxes has become as futile as trying to bargain with the Taliban over whether girls should be allowed to attend school.

That is a pretty stark comparison, I admit, and I may not have gone that far. But, frankly, our Republican brethren seem to hold to their ideology almost as religiously. They see all things in black and white. They act as though they believe those who disagree with that ideology are unpatriotic or heretics, and that the only truth is their truth. What they have forgotten is that negotiating with those with whom we disagree and reaching a compromise is what good governance is all about.

There is another falsehood. Spending is not a Democratic value, as our friends on the other side of the aisle would have us believe, but a Republican reality. It was the reckless spending of Republicans combined with a reckless tax policy and an ideology that let Wall Street run wild, turning a free market into a free-for-all market, that brought us to where we are today.

Let's remember, it was not long ago that the budget was, in fact, balanced during another Democratic administration when we had budget surpluses as far out as the eye could see. The day President Clinton left office he handed the incoming President a $236 billion surplus with a projected surplus of $5.6 trillion over the following 10 years.

When President Bush left office he had turned a $236 billion budget surplus into a $1.3 trillion budget deficit with projected shortfalls of $8 trillion over the next decade. He handed the new President an economy that was headed off the cliff into a near depression.

We have spent $786 billion, unpaid for, on President Bush's ill-advised, wrongheaded war of choice in Iraq because of some false allegations of weapons of mass destruction, a political experiment that distracted us from a war of necessity in Afghanistan, keeping us there far longer than necessary at an additional cost of $430 billion, unpaid for. The total cost for both wars, unpaid for, was $1.2 trillion.

The Republican Party that will not now agree to one penny in revenue and demands only more spending cuts has fought to make tax breaks for the wealthy permanent that would cost this Nation another $5 trillion. They have favored big business and Wall Street in a Tax Code that has resulted in major multibillion-dollar corporations paying no taxes—yes, no taxes at all.

In fact, a detailed Government Accountability Office study of corporate income taxes from 1998 to 2005 showed that 55 percent of large U.S. corporations reported no tax liability for at least 1 of those 8 years. Yet those same Republicans will look us in the eye in defense of their defenseless position and tell us that most individuals do not pay taxes either. What they will not say is that those individuals who do not pay taxes do not pay taxes for a reason: They do not earn enough to pay income tax, and many of them are among the poorest of the poor. Only in Washington could such an indefensible position be accepted as defensible and logical.

Only in Washington could Republicans support policies that benefit the wealthiest at the expense of the middle class. Only in Washington could Republicans tell a construction worker in New Jersey, who has cut his budget to the bone and needs to work another job to pay the bills, that we do not need to end tax loopholes and tax breaks to help pay the Nation's bills; that we only have to cut more spending and give more money to the top 1 percent of the wealthiest in the country who control 45 percent of all of the wealth in America and that they will create more jobs—notwithstanding the fact that 12 years of tax cuts for the wealthiest created virtually no jobs at all. When Ronald Reagan and Bill Clinton increased the revenue side of the equation, it brought the greatest economic progress in the last half century.

But our Republican colleagues do not let the facts get in the way of their ideology.

The fact is, if Joe the construction worker in New Jersey cut his budget and his spending and has made the difficult choices about what he can afford and what he can't and still can't meet the bills he has to pay with the money he earns, then he has to get a second job or work more hours or find a way to increase his income. Yet our Republican colleagues will look that construction worker in the eye and tell him he doesn't need to earn more, he needs to cut more and then cut again. Cut to the bone, if necessary, but never, never do what needs to be done to increase the revenue side. Only in Washington does such an argument seem reasonable. Only in this Republican Party does such an absurd argument try to make sense.

Never before has America waged two wars at the same time, struggled to invest in our infrastructure to create new jobs—and done so at a time of decreased revenue—and not seen the need at least to discuss the idea of closing tax loopholes and tax breaks for Big Oil and multibillion-dollar corporations. Never before has any party claimed we can do all of that and at the same time balance the budget on the backs of seniors, students, middle-class families, and not even consider the shared sacrifice—a sacrifice that would end tax breaks for multibillion-dollar corporations that in many cases don't even pay taxes. Never before has such illogic passed for logic. But our Republican colleagues will not take yes for an answer. We have said yes to spending cuts, more spending cuts than we have seen in a generation. Now they must say yes to common sense, fair increases in revenue, and choose good governance over political ideology.

David Brooks, the conservative columnist to whom I referred, said, ''The members of this movement talk blandly of default and are willing to stain their Nation's honor,'' meaning that the country will not meet its obligations. We teach our children that you have to meet your obligations, but this movement tells the country you don't have to meet your obligations.

He goes on to say:

> If debt ceiling talks fail, independent voters will see that Democrats were willing to compromise but Republicans were not. If responsible Republicans don't take control, independents will conclude that Republican fanaticism caused this default. They will conclude that Republicans are not fit to govern.

I would very rarely agree with Mr. Brooks, but I would agree his observations in this case are absolutely right. This is about not only standing up for the Nation's honor, it is about standing up for the Nation's obligations. It is about standing up to make sure there is a fair and shared sacrifice, not just on the backs of middle-class working families in this country and those who have the least among us. That is the choice Republicans would have us make. It is a wrong choice for the Nation, and I hope we get to some sense of reality in this Chamber that can help us move forward, have the Nation be upheld in its obligations both here and abroad and not start a ripple effect that will cause an enormous consequence to this Nation's economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. BARRASSO. I ask unanimous consent to speak for up to 10 minutes, followed by Senator INHOFE for up to 10 minutes.

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

Mr. BARRASSO. We heard the Senator from Georgia talk about the upcoming predictable crisis, and our Nation faces an Olympic crisis right now, and it is a predictable crisis.

Back in 2006, then-Senator Obama called raising the debt ceiling ''a sign of leadership failure.'' So why 5 years later is it now-President Obama who is asking us to raise the debt ceiling, and why is he doing it with no plan on how to pay back the new debt we continue to accumulate?

In his press conference last week, the President called on this party to ''go ahead and make the tough choices.'' When it comes to cutting spending, his allies in Congress refuse to make any choices. The President has attacked this body for not getting a deal done on time. Yet he declined to meet with Republicans about these very issues and about our ideas. According to the White House Press Secretary—the Press Secretary said this was ''not a conversation worthing having.'' Well, he has finally agreed to meet tomorrow with leaders from both parties.

The White House and Congress have a choice: Do we want America to be broke or do we want America to be balanced? Facts are stubborn things, and the numbers do not lie. Our debt is swallowing our economy whole. Every day Washington borrows $4.1 billion more—borrowed over $4.1 billion yesterday, $4.1 billion today, and it will borrow $4.1 billion again tomorrow. That is over $2 million a minute, every minute. In a single day, Washington borrows enough to buy tens of thousands of new homes. In a single hour, Washington borrows enough to buy 2 million barrels of oil. In a single minute, Washington borrows enough to send 53 students a year to the most expensive colleges in America. In a single second, Washington borrows enough to buy two new Ford Mustang cars. Washington did all of that yesterday, and it will do it all today, and it will do it all tomorrow.

Well, of every dollar Washington spends, 41 cents of it is borrowed. Much of it is borrowed from China. Every American child born today, born tomorrow, and born the next day is born with a debt of over $45,000. Next year, of every dollar Washington spends, 68 cents will go for Social Security, Medicare, Medicaid, and interest on the debt alone.

If those numbers don't sound scary yet, they will. Interest on our debt cost $196 billion last year. It costs nearly $23 million an hour. It costs over $370,000 a minute, every minute. It costs $6,000 a second, every second, interest alone on our debt. In the time it takes to give this speech, as well as my colleague's previous speech and the speech coming up after that, in those 10 minutes, Washington will have spent millions of dollars on interest payments alone.

The President has railed against tax breaks for private jets. He did it in a press conference last week. He mentioned it six times. What he didn't tell you is that every $100 of the huge deficit of this year alone—of every $100, only two cents of that $100 would be dealt with with the tax he proposes and holds out as the No. 1 thing. What about the other $99.98? What the President won't tell you is that the interest on our debt costs enough to buy over 100 private jets every day—for the interest we pay on the debt alone. His party wants to end tax breaks for yachts. Yet the interest on our debt would buy over 50 luxury yachts every hour. Most Americans are feeling severe pain at the pump. Yet Washington could buy nearly 2,000 gallons of gas at current prices every second with the money we spend on interest on our debt.

If we, as a nation, continue down this path, Washington will spend all of what it takes in on Medicare, Medicaid, Social Security, and interest on this colossal debt. Everything else, from defense to education, will be paid for on a budget of borrowed money. So where is the money going to come from? How will we ever pay it back? A lot of it will come from other countries, countries that do not always have America's best interest at heart.

Debt isn't just a disaster for the distant future; our debt is so unsustainable and irresponsible that even our military leaders have condemned it. ADM Mike Mullen, Chairman of the Joint Chiefs of Staff, has said the biggest threat to our national security is our debt. The debt is the threat. We do not and we should not take the biggest threat to our national security lightly.

The amount of debt we owe right now today is so high that it is hurting our employment at home. Experts continue to tell us that our debt is costing us millions of jobs. Meanwhile, the Weekly Standard reports that every ''stimulus job'' costs over $¼ million. In other words, the White House could have just cut a check of $100,000 for every American who got a job through the stimulus, and taxpayers still would have come out ahead by $427 billion. Spending like this cannot create jobs because by nature it makes it harder for the private sector to grow, and no growth means no jobs. Because of this, it is harder for American families to

buy gas, groceries, cars, and homes, to pay tuition for their kids to go to college, and it is harder to create jobs for those kids who will be graduating this year and next year and every year until we get this spending under control.

Everyone seems to claim they understand that the situation is irresponsible and unsustainable. Two years ago, back in February of 2009, the President called experts to the White House. He called them in for what he called a fiscal responsibility summit. In his opening remarks, here is what the President had to say:

> Contrary to the prevailing wisdom in Washington these past few years, we cannot simply spend as we please, and defer the consequences to the next budget, the next administration, or the next generation.

Well, I agreed with the President. He was right. So my question to the President is, What have you done about it?

One thing he has done is to call together a debt commission. Late last year, the debt commission released their report on America's fiscal situation, and the findings were sobering. According to the report, they said the problem was real; the solution will be painful; there is no easy way out; everything must be on the table. You know what else they said. They said Washington must lead.

Washington has not led. Instead, the administration has offered nothing but empty promises. As the White House makes promise after promise and speech after speech with no action to back it up, it is clearer than ever that in Washington spoken promises have become broken promises.

This administration's allies in Congress have no plan other than raising taxes. While they claim to have already accepted the idea of cutting trillions of dollars from the budget, I have yet to hear the Democratic leadership endorse any spending cuts. Where is their plan to cut wasteful Washington spending? So far, they have only talked about tax increases that will kill jobs and hurt our economy. Raising taxes will only make matters worse.

The fundamental difference in this fight is more than just practical, it is also philosophical. We can argue over whether raising taxes on this or on that industry will lower the debt or just raise the costs for the American people.

Let me make this very simple. I am not interested in raising taxes to expand and sustain the size and scope of our Federal Government. I want less government, less costly government, and that means I am not interested in ferreting out new ways to tax people or businesses. I am looking for ways to cut spending to shrink the size of government. I want to dramatically reshape government, spend less, do less, and put power back into the private sector. That is how you raise revenue—you slash government, you put people back to work. Washington's persistent push to put our fiscal crisis off until tomorrow is unacceptable and must end now.

So I come to the floor and say, as someone from Wyoming, where we live within our means, where we balance our budget every year, it is time for this body, this Congress, and this President to sign into law a balanced budget amendment to the Constitution. That is an amendment which would force Washington to live within its means.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, just one comment on the subject at hand, and then I want to talk about something completely different that is very significant happening today.

I listened to the Senator from New Jersey down here. He kept talking about only in Washington what can happen, only in Washington. Yet never was anything said about cutting spending. It was all about passing tax increases, and that is what we will be faced with tomorrow.

(The remarks of Mr. INHOFE pertaining to the introduction of S. 1335 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER (Mr. BEGICH). The Senator from Colorado.

Mr. BENNET. Mr. President, I ask unanimous consent that the time for debate be extended until 7:30 p.m., with all of the provisions of the previous order remaining in effect.

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

Mr. BENNET. Mr. President, I wasn't going to come to the floor today, but I was in the chair and I have been hearing some of the debate that is going on about this debt ceiling and I decided that, once again, I needed to stand and remind people what this vote is about when we get to it. The Presiding Officer has heard me talk about this before.

Our failure to lift the debt ceiling is not like the United States cutting up its credit card and saying we are not spending money anymore. It is exactly like a household at home, back in Colorado, saying we overspent, we weren't careful, and we are not going to pay the cable bill this month even though we owe it or we are not going to pay our mortgage this month even though we owe it. Those are the kinds of things that in the real world lead in worst cases to bankruptcy but in a lousy case can lead to interest rates going up because the bank says we are not going to let people pay a lower interest rate for their mortgage because they are not a good credit risk. That is exactly what is going to happen to the United States of America if we renege on the full faith and credit of the United States.

That is why I was so pleased to see an editorial today in the Wall Street Journal called ''A Debt-Limit Breakout.'' The Journal observed that:

> What this debate needs is a breakout strategy—to wit, Republicans should answer Mr. Obama's tax call by accepting his business tax increases in return for a lower corporate tax rate.

The Journal goes on to observe directly—and by the way, I said this for 2½ years, the last 2½ years in Colorado—''. . . the U.S. corporate Tax Code provides the worst of both worlds: It makes U.S. companies less competitive'' because we have one of the highest rates, if not the highest rate, in the world, ''even as it raises much less revenue than advertised.'' Because there are so many special interest loopholes that even though we have this high rate we are projecting, we are not, as the Presiding Officer knows, collecting the revenue we need.

Finally, the Journal says:

> Think about it.

Talking about these negotiations.

> On the current path both sides are headed at best for a de minimis deal that makes everyone look bad, at worst for a major political crack-up.

I think the Journal has it exactly right, and I think both of those outcomes are unacceptable to the people of Colorado and should be unacceptable to the Members of this body. A de minimis deal that somehow gets us through this but doesn't actually address the fundamental structural issues we face is unacceptable, and a political crackup is absolutely unacceptable as well not because of the political fate of anybody in this Chamber, but because of what is going to happen to our economy if our interest resets because we have failed to deal with this debt ceiling issue.

I have spent a lot of time in the capital markets and I know that once those interest rates reset, they will be reset for the rest of my life. I am so worried the posturing and the politicking that has been going on in this Chamber is going to put us in a place where we actually run out of time to do the right thing.

I wanted to come down here today to say thank you to two Republicans who came out today. One is Senator JOHN MCCAIN from Arizona who came out with this Wall Street Journal editorial—and, by the way, I ask unanimous consent that the Journal article I have been referring to be printed in the RECORD.

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

[From the Wall Street Journal, July 5, 2011]

EDITORIAL: A DEBT-LIMIT BREAKOUT

The debt-limit talks in Washington are bogged down in the hedgerows, with some Republicans insisting on a balanced budget amendment that can't pass Congress President Obama insisting on tax increases that Republicans oppose.

We've long favored such a reform, and last year so did the Simpson-Bowles deficit commission and the White House economic advisory council headed by Paul Volcker. But the cause has now acquired no less a convert than Bill Clinton. Speaking Saturday at something called the Aspen Ideas Festival,

the former President admitted that he had once raised tax rates on corporations.

''It made sense when I did it. It doesn't make sense anymore. We've got an uncompetitive rate,'' he said. ''We tax at 35% of income, although we only take about 23%. So we should cut the rate to 25%, or whatever's competitive, and eliminate a lot of the deductions so that we still get a fair amount, and there's not so much variance in what the corporations pay.''

We opposed Mr. Clinton's tax increases, not least because corporations don't pay taxes so much as they serve as a collecting agent. But on the rest of Mr. Clinton's riff, Milton Friedman and Robert Mundell couldn't have put it better, though perhaps they'd think that 25% is still too high.

We'd prefer 15% ourselves, but Mr. Clinton is exactly right on the failure of the 35% rate (39% on average including the states) to capture that share of corporate income in government revenue. We wrote earlier this year about Whirlpool, which had an effective tax rate of zero due to its many write-offs. Everyone knows the notorious case of GE.

The average effective corporate rate varies by industry but is far less than the 35% rate, and the injustice is that some pay much less than others if they can afford lobbyists to write loopholes or they invest in politically correct purposes. Anyone not in thrall of class-war symbolism understands that the U.S. tax code provides the worst of both worlds: It makes U.S. companies less competitive even as it raises much less revenue than advertised. Mr. Obama and Treasury Secretary Tim Geithner have acknowledged this in the past, the President as recently as this year's State of the Union address.

As for the debt-limit politics, this is also a winner. Democrats and Republicans say they've agreed privately on sizable spending cuts over a 10-year budget window. No doubt some of those cuts are less real than others, and future Congresses could rewrite any enforcement provisions passed this year. But Republicans still have an incentive to set spending on a downward path, and Mr. Obama has an incentive to show he is no longer a hostage of Nancy Pelosi as he runs for re-election.

The political sticking point is Mr. Obama's desire for some Republican buy-in on raising revenues. His political left is still sore that he agreed to extend the Bush tax rates through 2012. Thus he's pounding Republicans to agree to eliminate certain business tax deductions that political advisers David Axelrod and David Plouffe have told him will be hard for Republicans to defend. Corporate jets. Carried interest for private equity. Oil and gas. Even LIFO accounting, which few understand but can be made to sound nefarious.

Whatever their individual merits, each of these would be a tax increase on business, and Republicans campaigned last year on not raising taxes. But the politics is different if they can offset these revenue raisers with lower tax rates. That would let Republicans honestly claim they didn't support a net tax increase, even as Mr. Obama could say he raised revenue.

Our own guess is that such a reform would raise far more money than the official scorers would predict, since it would lead to a more efficient allocation of capital and less tax evasion. This would also promote economic growth, breaking out of the austerity mentality driven by debt reduction. If Mr. Obama really is worried that lower federal spending will hurt the economy, then this tax reform is also his best growth policy.

In offering his grand bargain on Saturday, Mr. Clinton included the caveat of ''how can they do that by August 2?'' Mr. Geithner says that is the date when he can no longer finagle federal finances to escape a potential default on the debt, or must at least cut some federal spending, to avoid breaching the $14.3 trillion debt limit.

But where there's political self-interest there's always a way. Both sides could agree to a short-term debt-limit reprieve of a month or two with some spending cuts that everyone agrees on. That would give them more time to cut a larger deal that includes corporate tax reform.

Think about it. On the current path both sides are headed at best for a de minimis deal that makes everyone look bad, at worst for a major political crack-up. Perhaps Mr. Obama wants a crack-up to portray Republicans as extreme. But Republicans should at least call his bluff and answer his demands for fewer business tax deductions by saying yes—in return for lower tax rates.

Mr. BENNET. Senator JOHN MCCAIN came out and said we might not like everything in here, but it makes a great deal of sense and we need a game changer to deal with this debt debate we are having right now. I wish to applaud him for that. When someone comes to the Senate they say a person can have two mentors, one is a Democrat and one is a Republican, but one has to ask the person if they will do it. I asked Senator MCCAIN if he wouldn't mind being my Republican mentor and he thought about it a little bit, he came out on the floor and he said, I will take you to lunch. Even though he didn't exactly support me in my last campaign, he has given me a lot of advice over the last number of months. To see him out here today saying, you know what, we may need to think differently about this, gave me some hope that maybe we are not going to run out of time.

The other person I wish to thank is Senator CHAMBLISS from Georgia who was speaking when I was sitting in the chair and said that everything needs to be on the table. This isn't a time to draw bright lines. It is a time to pull ourselves together, roll up our sleeves and do what is right. We have the outlines of a plan from the deficit and debt commission. I don't love everything in it—no one would love everything in it—but we have to find a way to compromise and come together for the benefit of our kids and for our grandkids, and I think importantly, in the short term, to give American business the confidence it needs to invest again in this economy.

There is $2.3 trillion of cash sitting on the balance sheets of our Nation's businesses. There may be a lot of reasons for that, but I know one is they are uncertain about our ability to straighten out the fiscal quagmire we face.

We have spent a lot of time on this, but we haven't made a lot of progress and we are running out of time. So I urge all of my colleagues to come to the floor in the spirit of people who want to work across the aisle, who are not interested in drawing these bright lines, and come to a big deal—not a small deal—one that gets to the $4.5 trillion that the deficit commission recommended or in that direction generally, and gives us the chance to feel as though we have done something useful for our kids, one that will give us the chance to feel patriotic, that we actually have honored the legacy of our parents and grandparents, and that we have passed along more opportunity to the next generation. I want the Presiding Officer to know, and I know he feels the same way, that we will work with anybody on the other side of the aisle to try to get this done.

Thank you, Mr. President. I yield the floor.

Mr. MORAN. Mr. President, I ask to speak for up to 15 minutes.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. MORAN. Mr. President, it is appropriate that we are here on this July 4 holiday week. I joined a number of my colleagues last week who made it clear it was important for us to be here. Raising the debt ceiling is a significant issue we face, and while I am pleased to see the discussion ongoing on the Senate floor today, we do need actions that speak louder than our words. I say that knowing I am coming here to talk about an issue that we have attempted to bring to the attention of my colleagues in the Senate now for a long time.

We have a looming financial crisis. All the Democratic leadership was capable of bringing up on the Senate floor this week was a sense of the Senate that wealthy Americans should pay their fair share of something.

I suppose we will have a discussion about that, which has begun and will continue for the next few days. But I believe Americans deserve leadership in our Nation's Capital to confront the real fiscal challenges—not just this desire to kick the can down the road and ignore the crisis we face.

In my view, our President and the Senate leadership have failed to lead. They have failed to adopt the President's own Deficit Reduction Commission report. The President has not proposed the results of that report. They have failed to pass a budget in over 2 years. They have failed to introduce a budget even in our committee this year, and the President's budget that he did propose this year is woefully inadequate in addressing the fiscal crisis, the deficits we face.

Crafting a budget is one of the basic responsibilities of Congress, but it has not happened. No country, business, or family can operate responsibly without a budget. I serve on the Appropriations Committee. I would love to have a budget that set the guidelines for us to begin the process of determining how much money we should spend, what things might be increased, decreased, or eliminated. Without a budget, the appropriations process continues to falter and, in fact, it would not be surprising that once again we end up with either an omnibus spending bill or a continuing resolution.

The President and Senate Democrats have said they are serious about dealing with our Nation's debt crisis, but

actions will speak louder than words. The truth is the President's budget and the policies of this administration have made our problems worse.

During the last 2 years, the government has spent more than $7.3 trillion and increased the Nation's debt in just 2 years by more than $3.2 trillion. The President is missing and the Senate is dysfunctional. The struggling economy we are experiencing and the financial collapse around the corner is the most expected economic crisis in our lifetime. Yet nothing is being done to stop it.

The cochairs of the President's own Fiscal Commission have said the same thing and have warned that if we fail to take swift and serious action, the U.S. faces ''the most predictable economic crisis in its history.'' They predict such an event could occur in 2 years or less.

It is time to move past empty rhetoric and get serious about confronting the debt crisis. Delaying difficult decisions and simply increasing the debt ceiling once again without making any changes to the way Washington spends taxpayer dollars should not be an option. We cannot afford business as usual.

The President's solution is to raise revenues to balance the budget. But does anyone really believe that increased taxes will be used to pay down the debt or will it just be used for even more spending? History shows that money raised in Washington, DC, results in more spending in Washington, DC.

When families struggle to pay the bills, they do not simply ask for a pay raise; they cut their spending. The revenue increases we need are not tax increases but increased revenues that come from a growing economy.

The last time we had a balanced budget was at the end of President Clinton's term. Yes, there was some spending restraint, and Republicans and Democrats could not get along well enough to agree to spend a bunch of money, but the real reason the budget was balanced was that people were working and paying their taxes. We need a growing economy once again to balance the budget.

Increasing taxes reduces the chances of economic growth and the ability to create more and better jobs. If we increase taxes, we reduce the chance of economic growth and we reduce the chance of more and better paying jobs.

In Kansas, for example, the President proposes we increase taxes on those who own a business plane. Airplanes are a pretty important component of our State's economy, and this proposal would have a devastating impact upon the Wichita economy, which has already suffered the loss of thousands of jobs under declining business in this country.

Now is not the time to penalize a U.S. industry that produces the best quality airplanes in the world. The U.S. and North America ship a significant amount of business jets worldwide, more than any other region in the world. But because of the recession, nearly every aircraft manufacturer has had to cut jobs, some up to 50 percent of their workforce.

We see this in Kansas day in and day out, and yet the proposal is to make it more expensive to own an aircraft. This does not punish the owners of aircraft. It punishes the people who work every day to make an airplane.

To turn our economy around and put people back to work, Congress and the Obama administration should be implementing policies that encourage job creation, not diminish the chances; rein in burdensome government regulations; replace our convoluted Tax Code with one that is fair, simple, and certain; open foreign markets for American manufactured goods and agricultural products; and develop a comprehensive energy policy. Yet none of these are being done by this Senate.

Spending more has failed to stimulate our economy. Instead, we should cut government spending to reduce our deficit, cap spending so it does not continue to eat up more and more of our gross domestic product, and balance our budget so we do not get back in this mess once again.

First, it is time to cut government spending and change the way Washington, DC, spends taxpayer dollars. Mr. President, 40 cents of every dollar our Federal Government is spending is borrowed. One hundred percent of our tax revenue is spent on mandatory spending and interest payments on the debt. Everything else—defense, homeland security, energy, education—is borrowed. This year we will collect $2.2 trillion and spend $3.7 trillion—a $1.5 trillion deficit.

CBO, the Congressional Budget Office, now projects that debt held by the public will exceed 100 percent of gross domestic product by 2021 under current policies. This is a 10-percent increase in debt relative to CBO's projections of only a year ago.

The debate over government spending is often seen as one that is philosophical or partisan bickering that always goes on in Washington, DC. And certainly I have heard, all of my adult life, the conversations that go on in Washington, DC, and on the talk shows, and in the newspapers, that talk about Republicans and Democrats arguing about balancing the budget and how much money we can spend, but the reality is this time it is different, and our failure to act will have dramatic consequences on the daily lives of Americans.

This is about whether Americans can find a job, can make their payments on their homes and automobiles, whether their kids have a bright future and can pursue the American dream. This is not a philosophical discussion for Washington, DC. This has real consequences for every American family.

We are not, unfortunately, immune from the laws of economics that face every nation. The failure to get our financial house in order and borrowing under control will lead to increased inflation, higher interest rates, fewer jobs, and a lower standard of living for every American. Our creditors may one day decide we are no longer creditworthy, and we will suffer the same consequences that other countries are now suffering that followed that path. We should learn from them.

Secondly, it is time to cap discretionary spending this year and next. We must demand enforceable statutory caps to return Federal spending to 18 percent of gross domestic product, where it has been for almost all of the past 60 years. Current Federal spending is now nearly 25 percent of gross domestic product and remains on track to be high over the course of the next 10 years.

Third, we must pass a balanced budget amendment. This amendment to the U.S. Constitution is the best way to discipline government officials. This amendment would require the President to submit and Congress to pass a balanced budget each and every year, cap Federal spending at no more than 18 percent of gross domestic product, and require a two-thirds vote of the House and the Senate to raise taxes.

Nothing here is unreasonable. Cut spending, cap the percentage of spending to GDP, and pass a balanced budget amendment. When did it become radical or even irresponsible to live within our means? We know what is going to happen if we do not act, and it would be immoral for us to look the other way or to kick the can down the road because the politics of these issues are too difficult to deal with.

Officials from the Obama administration warn that the failure of Congress to raise the legal debt limit would risk default. But the bigger economic threat that confronts our country are the consequences of allowing our country's pattern of spending and borrowing to continue without a serious plan to reduce that debt. Our out-of-control debt is slowing our economic growth and threatening the prosperity of future generations who will have to pay for our irresponsibility.

Our government is not on the verge of a financial meltdown because Republicans will not vote to raise the debt ceiling. We are at the point of financial collapse because Republicans and Democrats have spent money we do not have for way too long. We must use the leverage that raising the debt ceiling now presents to force elected officials to do something they otherwise would not do: curb spending, grow the economy, and balance the budget.

If we fail to respond, if we fail to act as we should, if we let this issue one more time pass for somebody else to solve because it is so difficult, we will reduce the opportunities the next generation of Americans have to pursue the American dream.

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. LAUTENBERG. 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. LAUTENBERG. Mr. President, we are here trying to figure out where America goes in the near future, but also where it goes in the long term because the decisions we make here are going to have a long lasting effect.

What we hear and the American people are witnessing over TV is the Republicans are playing with fire, and millions of Americans are in danger of getting scorched. It reminds us some of those who played the fiddle while Rome burned. The Republicans are willing to allow our country to go into default rather than ask the wealthiest among us to pay their fair share.

The Republican side of the Capitol is clear. They say: Don't ask our millionaire friends to contribute anything more to keep our ship of state afloat. Yes, the ride is going to be bumpier for everyone, but that is life. Why shouldn't the middle class pay something, they ask. After all, there are so many of them.

In fact, a Republican Senator was on the floor this afternoon saying the wealthy are overburdened. It is not easy, I guess, to pick out a new car every year, maybe make sure your reservations for your trip abroad are made, and renovations for the house are in order. Life gets complicated if you are rich. These decisions do not come easy.

The Senator who spoke this afternoon complained that the poor and the middle class—and I quote him here—''need to share some of the responsibility.''

So there it is. It is the poor and the middle class who need to sacrifice once again, but not the wealthy. The fat cats sit purring on the front deck while middle-class workers are breaking their backs.

Middle-class workers should not have to explain to their kids why they cannot afford to help them get a college education. Democrats know the way to keep our country strong is to educate every young person capable of learning.

Now, what is the real cost of millionaire protection? This risk is an economic calamity for middle-class families across the country if we make a mistake here as we deal with the raising of the debt ceiling, as we deal with the problems of the budget.

It is time to stop protecting millionaires when so much is needed from everyone who can help this country regain its footing. If the Republicans force default on our debt, it could mean tens of millions of Americans might not receive their Social Security checks. Retirees and disabled Americans on fixed incomes depend on Social Security for survival.

But Social Security is only the beginning. If the Republicans insist on pushing the government into default, the men and women who wear our country's uniforms may not even get their paychecks. Right now there are 140,000 brave Americans risking death and injury in Afghanistan and Iraq. Do we reduce our responsibility to them because Republicans do not want to burden millionaires?

Additionally, payments to doctors under Medicare and Medicaid could be suspended. Where do the seniors and needy Americans turn then in the event of an urgent medical problem?

At a time when nearly 14 million Americans are out of work and struggling to keep food on the table, unemployment benefits could lapse. We are talking about the possibility of people without incomes, people unable to sustain their basic needs. In addition to destroying the safety net for ordinary Americans, a default crisis would likely threaten America's position as the economic giant of the world, as we see the possibility of widespread panic on Wall Street and the damage to the credit markets that could lead to the loss of millions of jobs across the country.

The question has to be answered: Why are the Republicans willing to walk on this economic tightrope to win favor among wealthy contributors? It is because they do not sufficiently value the human infrastructure that enabled the millionaires to make their millions. They are insisting on protecting tax breaks for millionaires and billionaires.

They want to keep subsidizing big oil companies to the tune of $4 billion a year in tax breaks. I look at what our leader, the majority leader, has proposed. I am proud to be a cosponsor of a commonsense resolution introduced by Senator REID.

The resolution says: Americans who earn $1 million or more a year should pick up the shovel and help their country dig its way out of the disaster instead of just playing politics.

The American people see through the Republican games of protecting the rich, while middle-class families lose jobs, homes, and the belief that their children have a chance of success that their forebears dreamt about. In poll after poll, survey after survey, they say we should ask the very wealthy to pay more to reduce the deficit. Yet the Republicans refuse to close outrageous tax loopholes for oil companies that are rolling in profits. We cannot ask them to sacrifice.

Look at what the CEOs of these companies are being paid. ExxonMobil, they made over $11 billion in a quarter. The CEO made, in 2010, $29 million. ConocoPhillips, their CEO made $18 million in 2010. Chevron, the CEO was paid $16 million in 2010.

The facts are clear and so are the Republican priorities. They do not want the giant corporations and the wealthy to lose their lucrative tax loopholes. The Republicans want to end Medicare as we know it, forcing seniors to pick up an extra $6,000 a year for their health care. The question has to be asked: Why are the Republicans trying to slow the economic recovery? Why run the risk of financial collapse just 3 years after the last one? Do they believe destroying the economy now will help them during next year's election? What a terrible thought that is. We heard the minority leader say his No. 1 priority is stopping this President from winning another term.

Our No. 1 priority ought not to be to destroy lives for political gain. It ought to be about restoring our economy, restoring jobs, making sure all Americans can share in what this great country has to offer.

The question lurks: What is it that propels this unyielding refusal to ask those who make $1 million a year or more to participate some in restoring our economic viability? The bottom line is, avoiding a default crisis requires all to participate or we could witness the failure of a nation that has survived for more than 200 years—200 years as a beacon of freedom, liberty, and democracy—with great risk of substantial failure in the future if we do not raise the debt ceiling.

The Democrats feel the need to protect the basic values that have made this dream heard only in America, over centuries, a reality. Going forward into the future, we have to continue to protect the values we treasure in our society.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AUTHORITY TO MEET

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that if the Finance Committee meets tomorrow at 9 a.m., it be authorized to meet during tomorrow's session of the Senate.

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

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

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

MORNING BUSINESS

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the Senate proceed to 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.

HONORING OUR ARMED FORCES

SERGEANT WILLIAM J. WOITOWICZ, U.S.M.C.

Mr. KERRY. Mr. President, on June 7, 2011, Groton, the State of Massachusetts, and our country lost a brave young man who gave his life defending the Nation he loved. Sergeant William ''Billy'' Woitowicz died serving with the U.S. Marine Corps in Afghanistan, fighting as a part of Operation Enduring Freedom.

In the difficult days that followed this awful news, the entire Groton community came together to show their support for his family and to remember Billy's dedication and selflessness. Joe Moore, a family friend, described Bill movingly in a tribute that was itself an act of great devotion. I ask that it be printed in the RECORD so that all of us can reflect on the sacrifice of a courageous marine tragically lost much too soon in service to a grateful nation.

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

EULOGY FOR SERGEANT WILLIAM J. WOITOWICZ

(Delivered by Joseph F. Moore)

Before I begin, I would like to read the statement I prepared for the media on behalf of the Woitowicz family this past Tuesday. It did not make its way to the individuals and communities that poured love from their hearts for Billy and his family.

On behalf of the Woitowicz family, I would like to thank everyone for their heartfelt condolences, the kind words, the outpouring of emotion, gifts of food, offers of help, cards, and prayers. I can't tell you how much that has meant to my friends. They appreciate your kindness very much.

They would also like to thank the Marines for the tremendous support of their family and the respect they've shown Billy in the way they have treated him as they've brought him home. My father was a Marine during World War II and I've always had a tremendous respect for the Corps. The actions of these Marines, in the way they've treated my friends, especially Sergeant Owens, only enhances that admiration.

If I could pause for a moment—Would you please stand and join me in a round of applause for the United States Marine Corps, and the Marines joining us today to honor their fallen comrade, to show them how much we appreciate the sacrifices they make for us?

Billy was a wonderful person. You only need to see the flags lining the streets of Groton and Westford, the messages of love, the swollen eyes, to see how people cared about him. It is because he cared for them—that was Billy, always more interested and concerned for you than he was for himself.

Although we mourn for Billy and our hearts ache for the loss of him, we know there is a celebration in heaven for the return of one of God's favorite sons and soldiers.

I am pleased to announce the Groton Dunstable Youth Basketball League, which I have great pride in saying I served for 15 years, has named their 3-on-3-basketball tournament after Billy. Thanks so much to the Board members; this means a lot to the Woitowicz family and to me.

Our State Representative Sheila Harrington is spearheading a movement to create the Sergeant William J. Woitowicz Memorial Trust. The trust will fund a scholarship named after Billy and other activities chosen by the family. Thank you, Sheila. We appreciate your efforts.

Billy's second mother, my wife Karen, said, ''For a kid who didn't like attention, he sure drummed up a lot of it.''

Billy, did you see us on the tarmac waiting for you to come home?

Did you see the respect of your fellow Marines as they gently held you?

Did you see the people standing in honor as we drove through Hanscom?

Did you see Mr. Clickner with tears in his eyes holding a basketball?

Did you see the gentleman, also a Marine, at the exit with the sign that read, ''Thank you Corporal Woitowicz, I try to be worth dying for.''

Did you see the cherry pickers with American flags flowing down from them at the rotary?

Did you see the fire trucks from Acton and Maynard, Boxboro and Littleton, parked on the overpass, with their ladders extended and connected in a salute of honor, and the firemen standing on top of their trucks?

Did you see people who simply stopped by the procession and got out of their cars with their hands over their hearts?

Did you see along the route you traveled, the rescue squads, state police, sheriffs, and the police and firemen from Lexington, Concord, Acton, Watertown, Melrose, Medford, Lowell, Maynard, Boxboro, Lancaster, Littleton, Harvard, Ayer, Dunstable, Groton, and Westford?

Did you see the older veterans, in their uniforms, standing at salute?

Did you see the people pouring out of their offices as your procession passed by?

Did you see the elderly gray-haired woman, standing by herself in Harvard, holding an American flag?

Did you see the lines of people in bordering towns with genuine looks of anguish?

Did you see the rows of people on Main Street in Groton? And did you notice they were patiently waiting when we returned from the high school to honor you twice?

Did you see the Groton-Dunstable High School administrators, teachers, and students in respectful alignment? The students were proud to attend the same high school as you.

Did you see that we stopped at Orr Road, to pay tribute to where you grew up?

Did you see the fire trucks from Groton and Westford, your two home towns, with their ladders outstretched over 225, forming a gateway for your return?

Did you see the people in Forge Village, waiting patiently for you?

Did you see the little kids of Norman E. Day Elementary School saluting and waving?

Did you see the people holding flags in front of St. Catherine's?

Did you know your friend Kelly was going to give up her vacation to drive back from California because she loves you so much?

Kevin and Rose, and my wife Karen and I have seven children. Their children are ours and ours, theirs. Just as I know Kevin and Rose love our kids, we love Chris, Bill, and Mandy as our own. Billy was like a son and, for reasons that I never completely understood he seemed to be attached to me. Rose and Karen would often say, ''Billy really likes talking to you. He looks up to you, Joe. Talk to him.'' And when my dearest friend Rosemary asked me to do this eulogy, Karen said, when I hung up the phone, ''He loved talking to you. You should to do it. Share how much we all love him, respect him, and how much we now miss him.''

Please bear with me as I give honor, through this eulogy, to my friend and hero, Sergeant William J. Woitowicz, USMC. It is a great privilege that you have bestowed on me, Kevin and Rose. Thank you.

At the same time that I was saying yes to Rose, I was wondering how I would ever get through this without breaking down. I knew I couldn't, but nothing could ever keep me from it, not even the fear of losing my composure in front of all of you, once my friends Kevin and Rose asked me to do this for them.

Do me a favor. In the minutes that it might take me to recover, please raise your eyes to heaven and look for Billy's smiling face. And while you focus on him, pray for his mom and dad, and his brother and sister. I would ask that you to pray for Bill but I know he is in a better place, happy to be home. Even if he did need our prayers, it would be the preference of our unselfish Bill that you turn your thoughts not to him but to his family.

And please get comfortable, as this might take longer than one of Father Peter's sermons. We sometimes pack a lunch for the 11:00 Mass when we know he is preaching.

Speaking of Father Peter, some of you may not know that prior to being a parish priest, he was at a monastery for which he had to take a vow of silence. He was only allowed to say two words every seven years. After the first seven years the elders called him in and asked for his two words. ''Cold floors,'' he said. The elders nodded and sent him away. Seven more years passed. They brought him back in and asked for his two words. He cleared his throat. ''Bad food,'' he said. They nodded and sent him away. Seven more years passed. They brought him in for his two words. ''I quit,'' he said. ''That's not surprising,'' the elders said. ''You've done nothing but complain since you got here.''

You might think it inappropriate to begin this eulogy with a joke, but it is exactly what Bill would have wanted. There is not a doubt in my mind that Billy is saying right now, ''Way to go, Mr. Moore.'' That happens to be one of his favorite expressions. I will try to paint a picture of Billy to help you understand why this is so.

In 1996, Karen and I moved our family from Allentown, Pennsylvania, to Groton. We were building a new house and it was not completed before the start of the school year so we crammed into a suite at the Westford Regency Hotel for six weeks. Prior to trekking to Groton, we had signed our kids up for soccer, and on our first Saturday as New Englanders we drove our kids to a match held behind St. Anne's Church in Littleton. As fate would have it, Chris, Billy, and our son Mike were all on the same team.

We knew no one in the area and Karen was determined to find a doctor for our kids. She happened to approach Rosemary on the sideline—she liked how Rose was cheering so loudly for her kids—and, as Rosie would, she went out of her way to be helpful to Karen. As they spoke, they connected partly because our kids went to Catholic schools. Let me interject here that Karen and Rose have not stopped talking since that day—literally, just ask our kids. Also while they chatted our daughters Jenny and Mandy struck up a friendship and, although they don't burn through their cell phone minutes talking like their mothers do, they have remained best friends.

The mothers figured out during their discussion that we lived near each other and Rose told us that she knew a short cut. We were headed to see how our house was coming along so we followed them home and pulled up to thank Rose for her help. It was then that we saw our first glimpse of Billy's tremendous charisma. Before we pulled away, little eight-year-old Bill looked at us and said, ''Do you want to come in for coffee? My mom made muffins.'' He then

glanced at his mother as if to say, ''Come on, of course were going to invite them in—right, mom?''

The rest, as they say, is history. Our older boys also became best friends. Drew became the younger brother to all of the kids and they each had a hand in raising him. Kevin and myself and even our dogs, Freckles and Maya, became friends. They all grew up together as our families intertwined.

When Billy decided to become a Marine, his parents, of course, tried to talk him out of it. So did many others. No one could change his mind. Finally, Rosemary asked me to talk to Bill about his decision. She told me that he seemed so committed, and that it was so very important to him that I shouldn't try to talk him out of it. But, even though she wanted him to follow his dream, she was hoping I could convince him to change his mind. I tried but failed. He listened—looking off into a place I could not see—patiently and politely. We ended our conversation with Bill telling me, ''Don't worry Mr. Moore, everything will be okay.'' Billy had made his decision and no one could change it.

On other occasions when I talked to Bill about things that might be troubling him, he would listen intently but I always sensed that he had figured out his own answer. He would masterfully turn our conversations and I would walk away feeling as though it was he who had lectured me. And, as if he sensed my thoughts, he would give me his standard but heartfelt response, ''Don't worry Mr. Moore, everything's okay.''

Part of the connection Bill had with me, I believe, was that my father was also a Marine. He was a proud member of the First Marines and fought in World War II. He was at Guadalcanal, the first victory for America in the Pacific after suffering so many horrific losses. He fought at Peleliu, which had the highest percentage casualty rate of any battle in the Pacific, called, by some, the bitterest battle of the war for the Marines.

Bill constantly asked me questions about my dad and wanted me to tell him the stories I knew about his war experiences. He listened, riveted, as I told him that of the 200-plus men in my father's unit on Peleliu, only 27 returned unharmed. His face wore a look of reverence as I told him my father watched his closest friend, Sandy, die in front of him.

He loved to look at dad's medals, dog tags, and his old green-covered book about the First Marines, The Old Guard. The two of us watched a black-and-white video together that my father had given me about the battle of Peleliu—Bill could not take his eyes off of the television screen. Then again, when the mini-series ''The Pacific'' was released, I sat with Bill in our basement watching as it amazingly replayed the exact stories that I had told Bill about my father, including a scene where the soldier on whose life it was based, on leave in Australia, slept—just as my dad had—with other wounded and fatigued soldiers in a soccer stadium where the bleachers had been removed and replaced by cots. It also chronicled many of the horrific battle scenes. Bill, who could never sit still, did not move a muscle.

On several occasions Billy said to me, ''I hope I will make your dad proud, Mr. Moore.'' And, just prior to leaving for Afghanistan, he asked me, ''Do you think your dad will be proud of me, Mr. Moore?'' I told him, ''Billy, my dad is already proud of you.''

I would like to share an email that Bill sent me this past April from Afghanistan. It will give you a good sense of his character, his humor, and what was important to him.

mr moore,

glad to hear from you . . . just headed off to bed, going to be a long day tomorrow—and my pack is starting to get heavy—as the afghans say in their broken English noooooooo goooood hahah. its been warm and rainy the last two days. i wonder what your dad would think of this war. probably a cake walk compared to WWII; but all i can do is try and make him proud. i bet he's watching down on all marines up there in heaven with a big smile on his face every time we have success. cant wait to be back home and have a relaxing day by the moore pool after a good game of bball. hope works been great and everyone's been staying out of trouble—i know its probably hard for drew this day in age haha. anyways tell the whole family i said hi, and tell matt to catch up with me on email—i called and left a message on his phone the other day. my beards nice and thick and the hair is nice and long (im trying to give ole tom brady a run for his money haha) ill keep in touch but write soon and often. its funny, last year for my 22nd bday i was in the middle of losing 20lbs being chased by dogs in the woods, now im turning 23 and being chased by dogs in afghanistan haha . . . wouldn't want it any other way

love,

Bill

This is a list of the Marine Core Leadership Traits. Reading them, a vision of the man that Billy became appears:

Dependability
Bearing
Courage
Decisiveness
Endurance
Enthusiasm
Initiative
Integrity
Judgment
Justice.
Knowledge
Tact
Unselfishness
Loyalty

Certainly, these are all words that describe Bill.

To quote Albert Einstein, ''Life is not worth living unless you live it for someone else.'' Joining the Marines was an unselfish act, and a decision Bill made with certainty. Bill was not just a Marine, but part of MARSOC, or United States Marine Corps Special Operations Command—think Navy Seals on steroids.

Its core objectives are to direct action, special reconnaissance, and foreign internal defense. MARSOC has also been directed to conduct counter-terrorism, information operations, and unconventional warfare. MARSOC comprises roughly 2,500 Marines. About 30% of those that attempt make it through. If the Marines are the best of the best, MARSOC is the best—of the best of the best. Kevin told me that when Bill said he had to re-enlist to complete MARSOC, he started to tell Bill all the reasons he might want to reconsider. Frustrated, Bill finally told his dad he didn't need a ''Plan B'' because he would not fail. He was right. Billy also was one of only 1% of all Marines with a perfect score on the required physical fitness test.

Some of you may not know that Bill volunteered to go to Afghanistan ahead of his own unit. As a matter of fact, they are still here in the United States. Due to an injury to a soldier that had to return, there was a position open and Bill volunteered to go early, ahead of his unit. That was Bill, anxious to get going and positive he would make an impact.

The following is a note sent to Mandy from one of Billy's fellow Marines.

I worked with your brother in Miramar and I was the Sergeant in charge of the division that he was assigned to. I like to think I taught him most of what he knew as a computer repair tech at his first duty station. I was grief stricken to hear of his passing but please know that for a Marine as dedicated to the Corps as your brother, there is no more honorable way to leave us. I wish the best for you and your family and am truly sorry for this tragic loss.

Sincerely,

Jonathan Sypole

One Christmas Billy gave me a Marine flag as a present. If it hasn't yet come through clearly to you, Bill loved and dedicated himself completely to the Corp. Bill, like my dad, passed away from us taking his fierce pride in being a Marine with him.

I believe we live our earthly lives simultaneously on two planes, the physical and the spiritual. In the ongoing struggle to overcome the physical and live more in the spiritual, there are a few saints and mystics who succeed. Advanced souls like Saint Thomas Aquinas, Padre Pio, and Mother Teresa, to name a few, are on Earth to help others rather than live for themselves. Some fail miserably, succumbing to the earthly pull. Most of us live our lives somewhere in between. I believe Billy, like the saints and mystics, was one of the more advanced souls, one that influenced others even if they were not aware. When you looked into his eyes, it seemed like he understood things that the rest of us couldn't comprehend.

C. S. Lewis said, ''You don't have a soul. You are a soul. You have a body.'' Not many of us fully grasp this concept while here on Earth, but I believe our Billy did. He knew that this was just a temporary parking place for his soul; his real home is in heaven. I think that is why he was so impatient, why he couldn't sit still. Just maybe he was anxious to get back where his vibrant, loving soul belonged. Why he was with us for so short a time.

On the physical plane, Billy certainly had faults, like the rest of us. But, as we know, even the Apostles Jesus selected weren't perfect. I think Billy was a lot like St. Peter—a bit impulsive, temperamental, impatient, and blindly loyal. Most of you never saw that side of him, but it was there. Far outweighing it, however, was his other side, loving and caring, unselfish and kind, and extremely loyal—he was one of the good ones. In his book The Imitation of Christ, Thomas a Kempis wrote, ''The grace of the Holy Spirit always seeks a meek and humble heart.'' If so, the Holy Spirit was a permanent tenant in the heart of Billy Woitowicz.

We all loved and respected the Billy of the physical plane, but to really understand the depth of him you needed to look much deeper. I don't mean look so much as I mean feel. To know him, you had to feel Billy's spirit, the energy that exuded from him. Many of us don't slow ourselves down enough to feel the soul of another. We are too busy with our day-to-day. We waste our time idolizing athletes and movie stars. We pay too much attention to what we own, how we look, what we wear, and what others think of us. Bill cared nothing about these things—he cared about others.

Those who truly knew Bill took the time to know his spirit and they could not help but fall in love with his pure, unadulterated soul. Although I miss the Bill that I could see and hear and touch, it is the loss of his soul next to mine that has tilted my world askew. I've heard many stories from many people about Bill, including his family, my family, his friends, teachers, and others that loved him. I can't tell them all but would like to share a few that I hope you will enjoy.

Billy always seemed to be in a hurry. He didn't like staying in one place he was always talking and moving. More than once he came into our house and, as I was engrossed

in a television program or movie, he would start asking me questions. ''So, Mr. Moore,'' (he loved to begin his sentences with the word ''so''), ''have you seen that show on sharks yet?'' ''Mr. Moore, have I told you the story about my buddy?'' He referred to most everyone, it seemed, as his buddy. ''Mr. Moore, what do you think of the change in the economy?'' ''Mr. Moore, I have a great business idea. What do you think—Grilled Cheese, a restaurant where that's all we serve. I'll let you in on it.'' And, invariably, he would ask, ''So, Mr. Moore, how is work going for you?'' Now, that isn't the type of question I typically get from a 20 year old. But Bill was anything but typical.

Karen summed up Bill when she said, ''I guess what Billy always gave most was his time. He always had time for you.'' My son Mike said, ''Bill always did what you wanted rather than what he wanted, and when you talked to him he asked about you. He rarely spoke about himself.''

Mike went on to say, ''There is a great debate about which I've studied in many of my philosophy and psychology classes, whether altruism in humans really exists. While to this day there is no definitive proof for or against, Billy's life, and the way he lived it, makes one hell of a case in support of its existence.''

A close friend, Matt McElroy, echoed this theme in a beautiful letter he wrote to the Woitowicz family. I would like to read a part of it to you:

Bill was instantly likeable and I think I know why. I noticed it in a conversation I had with him around Christmas this year. He called me at school to see how I was doing and soon our conversation turned into him telling me how much he admired me for studying to become a lawyer and working hard towards a career. As Bill went on, I remember feeling immediately rejuvenated and energized—It is an incredible feeling to be admired like that! I tried to reciprocate the praise as much as I could because I was just as proud of him for working so hard to achieve excellence in his own profession. After thinking about our conversation that day, I reflected on past experiences with Bill and finally realized why Bill connected with so many people. I remembered Bill admiring the way I played basketball and asking for advice on how to get better; I remembered at the gym he would tell me how strong I was and saying he wanted to look like me. Even though I had seen Bill do these things before, I wasn't mature enough to realize his emotional genius, but now I know. Bill's secret was his ability to identify your best traits and tell you what they were. What an unbelievable gift! And he did it in such a genuine and honest way—never insincere. It is so rare to see that in anyone, let alone someone that young.

When Karen read Matt's letter she said immediately, That describes Rose, Joe. Rosie, it is from you that he received this wonderful trait.

Bill never wanted attention. Even though he could get a discount at some stores because he was military, he did not use it. This past December, I listened as he spoke on the phone to a store from which he had ordered three new suits. He ordered them in plenty of time for Christmas and New Years, the last time he could wear them before shipping out. But a clerk made an error and Bill was told the suits would not be there in time. He spoke patiently trying to find a way to make it happen. I said to Bill, ''Tell them you are a Marine and headed to Afghanistan.'' He would not. I told him to give me the phone, I would to talk to them. He would not. The suits did not make it; they have never been worn.

Bill did not care about money. When Chris and Matt discussed who would pick up a dinner check, the conversation turned to how some people never offer to pay. Bill replied, ''People should not be so focused on money I like spending my money on friends.'' When a close high school friend expressed concern about how she was going to pay her college tuition, he told her not to worry, he had plenty of money.

Chris, Matt, Mike, Matt McElroy, and a group of their friends formed what they call the Power Group. They share inspirational sayings and their own thoughts with each other. Bill sent the following note to the group from Afghanistan.

hey chris, send this around to the power group if you think it makes the cut-its short and sweet.

(1) perception is reality, no matter what you think

(2) word travels fast, so fast that what you say about someone may travel faster than expected. and now your trying to backtrack on what was said.

(3) life is short, even to usama life was probably too short.

(4) if there's one thing i learned through this deployment so far is that what's said can be taken back, but if you don't take it back today, tomorrow may be too late.

(5) and finally, stressing over the small stuff only makes things look fuzzy around the edges and the goal is harder to accomplish.

anyways i thought i might contribute to the power group because every day i strive to be looked at as a professional, and more importantly be a professional.

eat your vegetables,

woita

Riding a dirt bike was Billy's first love. As a kid, he was determined he was going to be a professional dirt bike rider. He and Mike would often bomb up and down our driveway popping wheelies. I would hear the whine of Bill's dirt bike in the woods behind our house, it was the signal that Bill was paying us a visit. Matt's laptop screen is a picture of Bill popping a wheelie on a dirt bike in Afghanistan. Billy's Sergeant, Danny Draher, told Kevin that they use dirt bikes in Afghanistan to travel to remote areas. Each time he put Bill out on point he'd just be gone, ahead of the pack, and Sergeant Draher had to keep reeling him back in. He asked Kevin where Bill learned to ride like that. Bill was a natural. And, just like Bill, he was having fun no matter where he was.

Bill loved to eat. Rose said that when he was an infant in his crib, you could hear him from the other room making sucking sounds, looking for food. She said he was that way the rest of his life. He was eating steak at 10-months-old. One of his favorite sayings was ''Eat big, get big.''

One of his greatest gifts was how he could build your self-esteem. One night during dinner at our house he turned to Drew and said, ''So, Drewman, are you going to play in the NBA or the NFL?''

He was a people person. When Bill was home on leave you would often find him in the Village chatting with people of any age, asking them endless questions, never turning the conversation to himself.

Kevin told me Bill loved hypotheticals. He would propose, ''Dad, if we drove by a dirt bike laying along the side of the road every day for three weeks and no one claimed it, couldn't you just take it? That wouldn't be stealing would it?'' Another example. Matt and Bill were having lunch together and they struck up a conversation with the man at the next table. He turned out to be the co-founder of Safety Insurance and he told the boys that he had cashed out and now lived his life helping others. He said he was a deacon at his church. Bill, who could be skeptical of organized religion, posed a hypothetical. ''So, let's say that I steal something and die. I learned that it is a mortal sin and if I die without confessing the sin I go to hell. But, another guy commits murder. He confesses his sin before dying and he doesn't go to hell. Explain to me how that is right?'' Kevin and Chris would sometimes tease Billy about his hypotheticals. ''So, Bill, if that house was sitting empty for a year could we just move in?'' Bill would see the humor and laugh along with them.

Bill was a prankster. As he grew physically strong through his training, he loved to wrestle Matt, Chris, Mike, or Drew. We would be sitting talking or watching TV and, unexpectedly, he would jump up, grab one of them, and try to wrestle him to the ground. All the while, laughing and taunting, ''Let's see what you got.''

My daughter Jenny had gym class with Bill when she was a freshman and he was a junior. They were playing dodge ball and one of the boys hit her in the head at close range with a ball, which made her teary eyed. Billy noticed, sought out the perpetrator, took aim, and hit him square in the face. Bill the White Knight had defended her honor.

When Billy was learning to read from a picture book, the kind with one sentence per page, his dad said that any time he made a mistake he would close the book, go back to the beginning, and start over. If he made ten mistakes, that's how many times he would start again. If anyone helped him pronounce a word, he did the same. Of course, Chris enjoyed tweaking his brother by helping him with a word even if he didn't need it. Bill would yell, ''You're messing me up,'' slam the cover shut, and start again.

Bill's Grandfather Labelle said, ''All I can say about him as a child was that wherever he went he was on the run. That kid never stopped moving.''

Kevin recounts another story. One hot summer afternoon when Billy was around 13 years old, Kevin was taking the kids for a drive. Just past the Village, Bill pushed a ballpoint pen into the side of a hot can of Pepsi, and it sprayed everybody and everything and made Bill roar with laughter. Kevin, furious, pulled over and yelled at Billy to start walking. Bill was laughing when got out of the car, unfazed by his dad's punishment. But, after driving away, Amanda was crying so hard for her brother, Kevin had to grudgingly go back to pick him up. There stood Bill, with a big grin still on his face, deciding whether he would get back in the car or not. After he got in, they all laughed about Bill's antics and being sticky with soda. They headed home to wash up.

On another occasion, when Bill was eight or nine, he was shopping with his dad and as they were walking back to the car there was a group of rowdy teenagers pushing and shoving each other in the parking lot. As they got closer to the teenagers, Kevin saw that they were watching them and it was clear to him they were claiming the space between them and their car. Kevin stopped and tried to move Billy to the opposite side of him, away from the teens. As he tried, Billy stopped, pushed back, and looked up at his dad and said in a loud voice, ''Dad, you don't need to be afraid!'' While Kevin thought he was protecting his son, Billy was looking out for his dad. Kevin said he has never forgotten how fearless Bill was.

Bill's Uncle Larry told me, ''If I had a dollar for every time I heard Kevin yell, 'Billy, don't!' I would be rich. But, the amazing change in him from his childhood to adulthood is beyond comprehension.'' His Uncle Al said that even the growth in him from the time he started boot camp to when he graduated from MARSOC was the difference between a boy and a man.

We spend every Christmas Eve with the Woitowicz family. We have shared our home

with them and our good friends the Roccos, Hutchinsons, MacDonalds, and Decoteaus for many years. My son Matt describes it as the best night of the year. Karen goes all out decorating our home, everyone brings food, and Mr. Rocco makes his phenomenal Christmas punch. We all have some wonderful Billy memories tied to this annual celebration of our Lord's birthday and the friendship shared by our families. On a few occasions, Billy partook a bit too much of the Christmas punch and entertained us.

Typically, these events happen at the end of the evening, in our kitchen, as everyone is preparing to leave. One year Billy was telling a story, gesturing with his hands as he tended to do, and accidentally knocked our sugar bowl off the counter. It shattered as it hit the floor. We all looked at him. The expression on his face was priceless, as was his response. ''I really don't know how that happened!'' As we all burst into laughter he bent down and started scraping the sugar into his hands in an attempt to clean it up. He apologized to ''Mrs. Moore'' for days after that.

One of the best Christmas Eve memories was the year he told his parents he couldn't make it home. Matt gathered all of us in the kitchen for the purpose of making a toast to Billy. As we raised our glasses, Billy burst through the kitchen door, shocking the rest of us—especially his parents. This time the priceless expression was pasted on the faces of his parents. They were frozen, not moving, not believing—as if he were a vision. Billy the magician had made himself appear.

This past Christmas, our kids gave Kevin, Rose, Karen, and me a gift of a cruise to Bermuda. It was Billy's idea, and he was determined to do it for us. He took charge and, in his larger-than-life way, gestured through telling us how we married folk could use the time away and should enjoy some rest and relaxation. Billy the marriage counselor was taking care of us.

As in past years, at the end of the evening, around 1:00 a.m., those remaining were in the kitchen saying good-bye. Kevin and I had spent a good bit of time herding the boys up from the basement toward the door. The kids had been joking through the night about the song ''Teach Me How to Dougie,'' which they thought was funny. I was teasing Billy that I was going to show him how to Dougie but he kept pushing me back saying he would show me. He started dancing and we all laughed as he Dougied in his tipsy state. Finally, I was able to move Billy toward the door, but he stopped abruptly, turned away, and started toward the door. Just as abruptly, he turned around, walked quickly toward me and shouted as he pointed at my chest, ''Good day, sir. I said good day!'' He turned again and walked out the door. We couldn't stop laughing for a long time. We tell this story often.

We have all been struggling to make sense of the loss of Billy. On the day we received the news, as Rose hugged me, she asked, ''Oh, Joe what are we going to do?'' My good friend Kevin and I sat and tried to make sense of it and he said, ''I have always been able to fix things but I can't fix this.'' Kevin's nickname at the fire station is MacGyver because he really can fix almost anything, but, although we wish so much he could, this is not fixable.

I can feel the pain of his brother and sister, Chris and Mandy, and my kids, his other brothers and sister, Matt, Mike, Jenny, and Drew. I see the hurt behind the eyes of my good friends Jay, Peter, Ralph, and Mark, and many others that were so close to Billy. I see the swollen eyes of his young friends. And I feel the unbelief and numbness as I read the letters, e-mail, and texts from those that loved him. Karen and I cant stop crying. But most of all, I can barely endure the grief I see in Kevin and Rose.

Casey Mahoney, the daughter of Brian and Kirsten Mahoney, and friends of Billy's family wrote a beautiful poem for Bill.

God bless Billy for all of his love,
God bless the loving father above,
God bless Billy's family and friends,
We all pray that war will end.

Oh, Bill Boy, where have you gone? Why did you leave us? What answer do I give your mother if she asks me again, ''What are we going to do now?'' And, Dear Lord our God, why did you take our Billy away?

Maybe there is no answer, or at least not one we can understand. Saint Thomas Aquinas wrote [paraphrased]. Above all God destines us an end beyond the grasp of reason; according to Isaiah, Our Eyes cannot see, O God, without your help, what you have prepared for those that love you. Many things are shown that are above the understanding of men.

As to your question, Rosie, I can only say that we will endure through the love that we have for Bill, and he for us. He is with you. He will be able to help you more now, where he is, than when he was here. He loves his parents, he told me that during one of our many conversations, and he wants you to be happy. He respects you, Kevin. He will be with you, Chris, when you move to Virginia. You know that he will try to wrestle you to the ground, even from heaven. He will guide your hand, Mandy, as you learn to become a nurse like your mother. He is standing next to all of you right now, right there, and he is looking at me saying, ''Dont worry Mr. Moore, they will be okay. I will make sure of it.''

To my last question, I received a reply in a dream the other night. God said, ''Remember, Joe, he was my son too. And, although I did not call him home—that was his choice—my heart ached, as yours does now, when I released him to Earth at his request to be with and guide Rose and Kevin, Chris and Mandy, you and your family, and his many friends. That was his mission, and like everything he does, he chose it enthusiastically.''

As to where Billy has gone, I am certain I know that answer. He is sitting next to God our Father. His arm is around Bill and He has a look of great pride on His face. Bill is bathed in the pure love and light of God the Holy Spirit. And, he is chatting up his friend Jesus, asking him a thousand questions. ''Are those gates really made of pearl, or do they just say that?'' ''Can I ride my dirt bike here?'' ''Yo, Jesus, would you introduce me to Mr. Moore's dad?'' ''Do I get to eat here, and do you have grilled cheese?'' ''Dude, have I told you the story about my friend?'' And, invariably, ''How is your work going for you, Jesus?''

The Blessed Virgin Mother Mary is hugging him while smiling and saying, ''Welcome back, Billy, I missed you. You have always been one of my favorites.'' He is teaching the Cherubim and Seraphim how to Dougie. He is receiving a salute from the greatest military heroes of all time—there are rows and rows of them, as far as you can see, and the Marines are out in front, just as in battle. Chesty Puller, the great Marine, is shaking Bill's hand and pinning the highest award given in heaven to soldiers who sacrifice their lives for others, the Wooden Cross of Jesus.

When Jesus introduces them, my dad says, ''Yes, Billy, I am very proud of you.''

And, he is wrestling St. Peter to the ground.

He is reading a poem that he wants me to share with you now.

Do not stand at my grave and weep,
I am not there, I do not sleep.
I am in a thousand winds that blow,
I am the softly falling snow.
I am the gentle shower of rain,
I am the field of ripening grain.
I am the morning hush,
I am the graceful rush,
Of beautiful birds in circling flight,
I am the star shine of the night.
I am in the flowers that bloom,
I am in a quiet room.
I am in the birds that sing,
I am in each lovely thing.
Do not stand at my grave and cry,
I am not there, I do not die.

He is whispering in my ear, ''Don't worry Mr. Moore. Everything will be okay.''

I know it will, Bill. Eventually. But, before you go, there is something you need to hear. And this time, please listen carefully.

Your mom wanted me to tell you, ''I want you to know that as soon as I could pull myself together, I had our family say a prayer of gratitude to you because underneath my deep grief is the tremendous joy of loving you for 23 years.''

I love you too, Billy, and I promise never to forget how much you've meant to me.

Semper Fi [salute my friend]

''Good day, sir. I said, good day.''

CAPTAIN MATTHEW GUNNAR NIELSON

Mr. GRASSLEY. Mr. President, I rise to pay tribute to a noble fallen warrior. CAPT Matthew Gunnar Nielson of Jefferson, IA, gave his life for his country on June 29, 2011, during an attack by insurgents in Badrah, Iraq. He was 27 years old. My prayers are with Captain Nielson's parents, Roger and Christine, and all his family and friends who are feeling his loss.

In a statement, his family said, ''Since Matt was a small boy he loved anything military, so he died doing what he loved best. Serving others was of the utmost importance to him and how he wanted to spend his life. He always gave his all, whatever he was doing. Matthew was a beloved son, brother, friend and Soldier. He's already home, and we know we'll be together again someday. Apart, but forever in our hearts. Psalms 11.'' What can I say about such selfless service and sacrifice? We just celebrated 235 years of independence and liberty, which is an occasion to reflect on the incalculable debt we owe to Matt and his comrades in arms over the years who have secured that legacy for us and for posterity. So long as we continue to have brave patriots like Matthew Nielson who are willing to give their all for their fellow Americans, our heritage as a free people will be in safe hands.

TRIBUTE TO JOE BYKOWSKI

Mr. KERRY. Mr. President, today I want to take a few minutes to offer special congratulations to Joseph ''Joe'' Bykowski, an extraordinary young man who has served Massachusetts and the United States in remarkable ways.

After returning home from service in the Iraq war, Joe wanted to give something back to his fellow veterans. So since 2007 he has interned in my Boston office for 4 days a week, working with

my senior staff on behalf of active servicemembers, veterans and their families. He is also an active member of the American Legion and the Catholic War Veterans Organization, where he volunteers in assisting wounded veterans and their families. And as if that is not enough, all the while he has also been working toward an undergraduate degree at UMass Boston.

This spring, Joe completed his degree's requirements. During the university's commencement ceremony, UMass Boston Chancellor J. Keith Motley cited Joe as an inspiration to all his classmates. ''Joseph Bykowski served our country for eight years, from Ground Zero, to Iraq, before he joined us to major in history and political science,'' Chancellor Motley said. ''He is a leader in veterans' affairs on campus and at the State House, where he's testified before the legislature, interned for Senator JOHN KERRY, and helped found the nation's first program dedicated to our veterans' mental health. Joe has overcome tremendous personal obstacles to get where he is, and he lifts others up with him.''

I couldn't agree more. I have known Joe for 5 years, and I have been impressed all along by his dedication to public service and his devotion to his fellow veterans. It was Joe's idea to organize a ''Welcome Home Cruise'' to honor wounded Massachusetts vets who had just returned home from Iraq and Afghanistan. Joe worked with my office and leveraged his ties to Massachusetts Vets organizations, working together to invite hundreds of vets and their families to join us for an evening on the water in Boston. I was honored to have the chance to present several of our wounded heroes with Purple Hearts on that boat—a memory I treasure, and one I don't think would have been possible without Joe's creativity and initiative.

Joe is still reaching out to veterans. Just this month, Joe helped us arrange an honorary GED for Vietnam veteran Ron Estrella, a longtime patient at the Brockton VA spinal care unit who was diagnosed with terminal cancer. To earn the GED, Ron worked with UMass-Boston's Upward Bound, a program that helps students finish high school—no surprise, it is just one more program where Joe himself is an active leader and member.

President Kennedy once said that ''the highest appreciation is not to utter words, but to live by them.'' He would have recognized that quality in Joe Bykowski. Joe has lived—and continues to live—a life devoted to service to country, in many forms. Whether he's serving on the other side of the world on the frontlines in Iraq, or down the street at the New England Center for Homeless Veterans serving a spaghetti dinner, there's one constant: Joe lives for service.

I have no doubt that he will put his UMass-Boston degree to the same great use.

I congratulate Joe Bykowski on his graduation, thank him for his service these last years in my office, and salute all that he's accomplished. We can't wait to see what he does next.

TRIBUTE TO MICHAEL E. LEITER

Mrs. FEINSTEIN. Mr. President, today I wish to recognize Michael Leiter, the Director of the National Counterterrorism Center and a good friend of the Senate Select Committee on Intelligence. This is Mike's last week and I want to thank him for his service and wish him the very best in the next steps in his career.

Director Leiter has been at the National Counterterrorism Center, or NCTC, for most of its existence. He was the principal deputy director from February 2007 to November of that year when he became the acting director. President Bush nominated him to be the Director on March 31, 2008, and he was confirmed by the Senate on June 10, 2008.

Mike has served in both the Bush and Obama administrations which speaks to his bipartisan and professional approach to the Nation's security, and the support that he has earned from the Congress and within the executive branch.

His leadership at the NCTC has brought stability and continuity to our Nation's counterterrorism efforts, and he should take pride in the fact that under his tenure, there have been no successful attacks against the United States homeland by foreign terrorists. In this threat environment, that is an impressive accomplishment indeed.

As is often the nature of the intelligence business, much of the successes of the National Counterterrorism Center go unrecognized. Terrorists plotting and carrying out attacks are captured through good intelligence and law enforcement work, and through strong cooperation with allies and partners around the world. Often, terrorist plots fail to proceed because of the barriers to recruit, travel, raise funds, get training, or gain access to destructive materials that have been erected through the efforts of the United States and other nations.

Even in counterterrorism victories that become known, such as the cases of Najibullah Zazi in the United States or the identification of Usama bin Laden's compound in Abbottabad, the National Counterterrorism Center's important—sometimes absolutely critical role—is often not well known.

So I am pleased today to be able to recognize Mike Leiter for his work in keeping our Nation safe for the past 4½ years.

As a member, and now as chair of the Intelligence Committee, I have come to rely on Mike's analysis and judgment. He has been willing to admit that at times our counterterrorism policies or practices haven't been what they should be.

He has appeared regularly before the committee and has been very accessible for the committee's staff as well. In addition to the regularly scheduled meetings we hold, I have received secure calls from Mike often, apprising me on new threats and the status of investigations. He is, without fail, available to provide updates and assessments, and I appreciate the importance he has placed on keeping the committee, and me personally, fully informed.

Director Leiter has also worked tirelessly to achieve the goals set out for the National Counterterrorism Center in the Intelligence Reform and Terrorism Prevention Act of 2004. The NCTC was established to bring together information and officers from across the intelligence community and from other parts of the government involved in the spectrum of counterterrorism, including counter-radicalization, detection, and prevention of attacks.

Even after the experiences of 9/11 and the findings of the 9/11 Commission, it was a difficult and enormously frustrating challenge to truly integrate the Nation's counterterrorism efforts. It speaks to Director Leiter's energy and dedication that he was, eventually, able to bring together analysts from the Central Intelligence Agency, the Federal Bureau of Investigation, the Defense Intelligence Agency, the National Security Agency, the Department of Homeland Security, and military services to share the threat streams that each one collected and assessed.

The result has been the ability to better connect the intelligence information that points to suspicious activity, to develop the case when a terrorist or a terror plot is identified, and to take coordinated action to disrupt that plot.

The NCTC now produces, on a daily basis, its own counterterrorism analysis that provides Intelligence Community-wide assessments and warning. Analysts at the NCTC are among the finest we have, and Director Leiter has fostered a productive environment through analytical roundtables and weekly forums in which analysts share information, provide briefings, and develop improved analytic tradecraft.

In fact, I recently learned that as the CIA was developing its assessment that Usama bin Laden was in the Abbottabad compound, it turned to NCTC analysts to ''red-team'' the intelligence case and give their assessments. And Director Leiter was involved in the briefings and discussions with the President that led to the decision to carry out the operation.

Director Leiter has demonstrated leadership in hard times, as well. After the failed terrorist attack on a Detroit-bound airliner on December 25, 2009, investigations uncovered significant failures and shortcomings in our counterterrorism efforts. The Senate Intelligence Committee's review found 14 specific ''points of failure'' across the government that enabled Umar Farouk Abdulmutallab to come so close to carrying out a major attack.

While several of our conclusions and recommendations fell to other agencies, Director Leiter moved quickly to implement the changes that we and others suggested. Since early 2010, the NCTC has vastly improved its methods for screening counterterrorism data and watchlisting individuals who pose a threat to our Nation.

In response to the finding that no agency in the government was ensuring that all terrorist leads were pursued, Mike implemented ''Pursuit Groups'' at NCTC, teams of highly skilled analysts who sift through massive amounts of data to identify disparate pieces of intelligence and find linkages that identify terrorists, their plans, and their networks before they reach the point of plot execution.

In addition to his service at the National Counterterrorism Center, Mr. Leiter helped establish the Office of the Director of National Intelligence as its deputy chief of staff, having previously served as the deputy general counsel and assistant director of the very well-regarded WMD Commission led by Senator Chuck Robb and Judge Laurence Silberman.

From 2002 to 2005, he was an assistant U.S. attorney in the Eastern District of Virginia, one of the most active jurisdictions for national security cases. He clerked for Justice Stephen Breyer and for Chief Judge Michael Boudin of the U.S. Court of Appeals for the First Circuit.

Most people do not know that Mike was also a naval aviator, flying EA–6B Prowlers with action in operations in the former Yugoslavia and in Iraq.

In short, he has served the Nation in a wide variety of capacities over the past 20 years

I thank Mike for his exemplary service in keeping this Nation safe and for his very positive relationship with the Intelligence Committee as we have carried out our oversight duties.

I expect that this will not be Mike's last service to the Nation, and I wish him all the best.

REMEMBERING SECOND LIEUTENANT ROBERT EMERSON

Ms. COLLINS. Mr. President, I rise today to honor 2LT Robert S. Emerson who is coming home to Maine more than 60 years after he served his country during World War II. Lieutenant Emerson perished when the B–24 aircraft he was flying in crashed in the Philippines on April 3, 1945.

His body was recovered in 1947, and he was buried in Leyte, Philippines. In 1949, his remains were moved from his resting place in the Philippines to Jefferson Barracks National Cemetery in St. Louis, MO. In 2008, his remains were exhumed and transferred to the jurisdiction of the Joint POW/MIA Accounting Command in Hawaii, bringing him one step and thousands of miles closer to his home State of Maine. Thanks to the persistent efforts of the relatives of Lieutenant Emerson's family and the other airmen that served with him on his B–24, the Department of Defense was able to guarantee the return home of this fallen service member.

Lieutenant Emerson's long and remarkable journey home is finally coming to an end. On Saturday, July 9, 2011, he will finally be brought to home, to rest alongside his mother and father in Norway, ME. After more than 66 years since he first left home, it is a privilege to welcome home, and honor, a fallen warrior who gave his life in World War II in defense of our Nation.

While no words of mine can console the grief that Lieutenant Emerson's family has felt for too long, I know Mainers and the American people are profoundly grateful for his service. Like so many throughout our history, Lieutenant Emerson left the comfort and safety of home to answer the call of duty to our country. He is now among that valiant legion that has journeyed through the darkest valley to a place of quiet waters and now able to rest at home.

ADDITIONAL STATEMENTS

CATOCTIN MOUNTAIN PARK

• Mr. CARDIN. Mr. President, this year marks the 75th anniversary of Catoctin Mountain Park, one of Maryland's most spectacular national parks. Located in northern Frederick County in western Maryland, Catoctin, MD, is a popular wilderness refuge just a few hours away from the bustling urban centers of Baltimore and Washington, DC. People of all walks of life visit Catoctin Mountain, whether it is working Maryland and Pennsylvania families taking a weekend camping trip to Misty Mount or U.S. Presidents taking a weekend retreat to Camp David to work or relax without the distractions of Washington. I am proud to celebrate the diamond anniversary of this wonderful natural treasure in my home State.

Catoctin Mountain Park is 5,810 acres of wilderness in the foothills of Maryland's Blue Ridge Mountains. The name Catoctin is what the Algonquians, the predominant Native American tribe of the Mid-Atlantic region prior to European settlement, called the region where Catoctin Mountain Park is located. The Algonquians were known to use rhyolite rocks found throughout the rocky terrain for spearheads and European settlers and Algonquians alike would fish for trout in mountain streams that also supplied water for early agricultural settlements in the valleys around the mountain.

The growth of the settler population in Maryland during colonialism and postrevolutionary America, gave rise to agriculture and industry in western Maryland. The growing industrial age changed the ecological and social condition of the wilderness of the eastern United States and western Maryland was no exception. Logging activities for ship and structural building, iron ore extraction and the arrival of the Western Maryland Railroad drastically changed the culture and natural state of Catoctin.

The Great Depression of the 1930s slowed economic progress and thwarted industrial growth across the country. The extractive industries of the Mid-Atlantic suffered greatly. The Franklin Delano Roosevelt's New Deal ushered in sweeping public works programs to help get Americans back to work building America's infrastructure and renewing the stewardship of our Nation's great resources. Catoctin Mountain Park is a testament to the success of the New Deal's Works Progress Administration and the Civilian Conservation Corps.

In May of 1933 the Federal Emergency Relief Administration was appropriated $300,000,000 to be spent on public works projects designed to provide work for struggling Americans. In 1934 a land planning committee established under the Federal Emergency Relief Act was examining how to put fallow land to better use. Conrad L. Wirth, Assistant Director to the Chief Branch of Planning of the National Park Service served on the land planning committee. Based on the findings in a 1928 report of the Joint Committee on Recreational Survey of Federal Lands, Wirth decided one of the answers to the report's ''urgent need'' to ''provide quality outdoor recreation facilities at the lowest cost for the benefit of people of lower and middle incomes'' on natural areas near urban areas was to establish a recreational area in western Maryland proximate to Baltimore and Washington.

By 1934, years of agricultural, logging and resource extraction activities had taken its toll on the economic value of the land comprising Catoctin. With $25 million transferred to Public Works Administration the Department of the Interior was able to purchase the ''submarginal'' lands that now make up Catoctin Mountain Park. Catoctin was officially placed into the program in January of 1935 and within a year and a half, and hundreds of man hours of work, Catoctin Recreational Demonstration Area was officially opened on August 8, 1936.

In the years immediately following Catoctin's official placement under the National Park Service's jurisdiction, The Works Progress Administration and Civilian Conservation Corps provided work for hundreds of men looking to learn a trade, earn a wage and develop leadership skills. These programs are responsible for providing some of the base training these men needed before going off to fight in World War II. The programs themselves reforested the park and restored its natural beauty. The CCC planted thousands of Maples, Pine and Oak trees in the park. The CCC also helped restore mountain streams and create suitable habitat for native fish and wildlife to

return to the mountain. These hard-working men also built many park structures still in use today including the Blue Blazes Contact Station which is now the Catoctin Mountain Park Visitor Center, Camp Round Meadow and Camp Misty Mount.

The legacy of the hard work of these Depression-era CCC and PWA workers lives on today and will continue to be enjoyed for years to come.

President Roosevelt personally experienced the success of the CCC and WPA at Catoctin on many occasions. This is because one major component of the Works Progress Administration's at Catoctin was to build Hi-Catoctin camp for Federal Government agents, now known as Camp David.

FDR hosted Winston Churchill at Catoctin in May of 1943 and every President since FDR has made use of Camp David. Perhaps most famously is President Jimmy Carter who brought Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin to Camp David where he brokered the Camp David Peace Accords in September of 1978. But many Presidents and their families go to Camp David, for the same reason everyone else does, to simply enjoy the spectacular outdoor recreational opportunities the park has to offer.

More than 80,000 visitors a year come to Catoctin Mountain Park to experience the park's extensive trail system, scenic vistas, and terrific camping opportunities. When hiking around Chimney Rock or the old Whiskey Still or Sawmill it is not uncommon for visitors to see white tail deer, wild turkey, coyotes, dozens of species of songbirds or even the occasional black bear.

With further dwindling resources for the National Park Service it has become increasing challenging for the NPS to manage the park resources. Invasive species like the emerald ashe bore threaten the health of the park's forest and the sustainability of park habitat for the wildlife that make the park so popular. It is essential that Congress and the Federal Government recognize the importance of preserving these natural resources. That is why I have been a staunch champion for robustly funding the National Park Service because I believe the treasures the NPS work to protect for the public's enjoyment and enrichment is invaluable and it is the responsibility of the Federal government to do this work.

Despite tough fiscal times, the leadership at Catoctin Mountain Park is doing an outstanding job providing fun and educational activities for park visitors and have put together a wide range of special programs and activities to celebrate the park's 75 anniversary.

I congratulate Catoctin Mountain Park and the National Park Service for 75 wonderful years and encourage my colleagues to take a trip to experience this wonderful located in the backyard of your home away from home just outside of Washington.●

CONGRATULATING SISTERS OF THE PRESENTATION

● Mr. JOHNSON of South Dakota. Mr. President, with great honor, I congratulate the Aberdeen congregation of the Sisters of the Presentation of the Blessed Virgin Mary who are in the process of celebrating their 125 years of service.

Founded on December 25, 1775 by Nano Nagle in Cork, Ireland, with the mission to educate poor children and minister to the sick, the Sisters of the Presentation of the Blessed Virgin Mary retain a strong dedication to their founding principle of providing for people's unmet needs. Arriving in the Dakota Territory from Dublin, Ireland, in 1880, the Sisters of the Presentation endured the hardship of isolation and harsh weather to teach the children of the early settlers of South Dakota.

Teaching and healing remain the foundation of the work performed by the Presentation Sisters. Today the sisters have expanded their work into less traditional forms. From teaching the young to counseling individuals in spiritual growth, the services provided by the Sisters have grown steadily outside the classroom to provide deeper healing. Assisting in such healing has also led the Sisters to become involved in a wide range of activities-from walking alongside those with HIV to facilitating healing and counsel to individuals after traumatic life events. In addition, the Sisters continue to sponsor Presentation College and Avera Health, along with having sisters actively engaged in those ministries.

While recognizing the need to adapt to the changing needs of those they serve, the common thread that binds all the work the Sisters perform is their steadfast adherence to their apostolic tradition of joyfully going where the calls of need ring out most loudly. They are guided in this mission by the words of Bishop Walsh who advocated for the need to go where they are needed, but not necessarily wanted, and stay until they are wanted but no longer needed.

I am proud to have this opportunity to honor the Aberdeen Congregation of the Sisters of the Presentation of the Blessed Virgin Mary for 125 years of exemplary service. It is an honor for me to share with my colleagues the strong commitment the Sisters of the Blessed Virgin of Mary have demonstrated over these many years. I strongly commend their years of hard work and dedication, and I am very pleased that their substantial efforts are being publicly honored and celebrated.●

STRANDBURG, SOUTH DAKOTA

● Mr. JOHNSON of South Dakota. Mr. President, today I wish to recognize the community of Strandburg, SD, on reaching the 125th anniversary of its founding. Strandburg is a community that embodies the spirit of hospitality, beauty, and an exceptional quality of life that is well known in South Dakota. The people of Strandburg celebrated this momentous occasion on the weekend of July 2–3.

The city of Strandburg was settled in 1886 and named after the town's first homesteader John Strandburg. John was the man that applied for a post office to be opened in Strandburg, and served as the first postmaster. With the help of the railroad, Strandburg soon prospered and grew like many South Dakota towns of the time.

Today, Strandburg has come a long way from its beginning days. The town is currently working on developing the old town gymnasium to a new community center as an effort to bring the community closer. The beautiful and historic Swedish Lutheran Church still stands today and is known as the Tabor Lutheran Church, and was, recognized on the National Register of Historic Places in 1978.

Residents of Strandburg plan to commemorate the anniversary with many community events including a craft show, wagon train, and parade. On Sunday the community will come together in the historic Tabor Lutheran Church for a service to conclude the celebration.

South Dakota's small communities are the bedrock of our economy and vital to the future of our state. Towns like Strandburg and its citizens truly know what it means to be South Dakotan, and I am proud to honor Strandburg on this historic milestone.●

REMEMBERING CHARLOTTE BLOOMBERG

● Mr. KERRY. Mr. President, most New Yorkers knew Charlotte Bloomberg as Mayor Michael Bloomberg's spirited, independent mother whose example shined through in her son.

But for us in Massachusetts, Mrs. Bloomberg was a presence and a fixture in a city where neighborhood ties run deep—Medford. There she was known and loved as a schoolteacher, a community icon, and a beloved and caring friend.

Mrs. Bloomberg passed away at her home in Medford, in the same house that she turned into a home with her husband and children. In his farewell, Mayor Bloomberg remembered his mother for her ''constant love.'' In Medford, Mrs. Bloomberg's generosity in sharing caring and compassion was well known. Charlotte Bloomberg showered attention on her neighbors and friends, and her modesty, her grace, and unflagging energy was infectious. She was a fixture at the Temple Shalom, which the Bloombergs founded and where she served as copresident well into her eighties. Neighbors remember that they could always count on Mrs. Bloomberg to be one of the first people to arrive for Friday services because she wanted the chance to say hello to everyone, especially the children.

She was an energetic campaign volunteer—even in her midnineties, she was frequently out on the campaign trail, telling anyone who would listen why her son was the best choice for mayor. And when she couldn't be there physically, she was still present because she was tightly weaved into her son's life and as a result his political speeches. Her values were instilled in her children—hard work, intellectual curiosity, and ambition. These were values Charlotte Bloomberg lived day-in and day-out. She graduated high school at 16 and went to New York University. She raised two great children—Michael and Marjorie Tiven. And when her husband died while Michael was in college, Charlotte forged forward and became the family breadwinner. Mayor Bloomberg later wrote, above all his mother was a woman who lived according to the belief that ''we've got to take care of each other.'' That is a lesson we should all hold close.

Mr. President, if there is an example we can all learn from the life of Charlotte Bloomberg, it is that we can always do more for our community, our State, and our country. So today we join the Bloomberg family in mourning the passing of Charlotte Bloomberg, but we also join to rejoice in the blessings she shared with everyone who knew her and the indomitable spirit her friends won't ever forget—a spirit that is the very best of Medford, MA.●

TRIBUTE TO JACLYN LICHT

● Mr. KERRY. Mr. President, student activism has always been at the forefront of every step forward we have taken as a country and as a society. It was true for my generation in the civil rights movement, the women's movement, and the effort to end the Vietnam war. In recent years it was students—young people—who put issues like AIDS in Africa and global poverty front and center on the Nation's agenda when few others showed much interest in the fight.

Today I would like to recognize the special efforts of a student activist in my State—Jaclyn Licht, a young woman carving out time from her studies to raise awareness about the brutal tactics of the Lord's Resistance Army, LRA, in east and central Africa. Right now Jaclyn is lobbying to maintain the integrity and funding for the landmark LRA disarmament bill that passed in the 111th Congress. And she recently penned an insightful article about the important role that all citizens play in promoting democracy and peace throughout the world. Jaclyn's article appeared in ''The Vanguard,'' the student newspaper of Buckingham Browne & Nichols Upper School in Cambridge, MA. She writes convincingly about the right of Americans to petition their government and urges her fellow Americans not to waste that right, especially given the uncertain fate of the LRA disarmament bill. Jaclyn reminds us that ''students . . . have the greatest ability to take advantage of this right'' and urges activism on the part of her classmates.

Along with representatives from the group Resolve, Jaclyn recently met with staff in my Boston office to discuss how important this legislation is for the people of east and central Africa. She also shared her views about America's role in protecting the people most vulnerable to the brutalities of the LRA.

For Jaclyn, of course, activism is in her DNA—an inheritance from two parents who have always made the cause of justice their concern. But Jaclyn is already writing her own chapter in that family history of urging change.

Mr. President, I am submitting the text of Jaclyn's article to the RECORD as an example to all of us.

The information follows.

[From The Vanguard, June 9, 2011]

STUDENT ACTIVISTS LOBBY TO PROTECT LRA DISARMAMENT BILL

(By Jaclyn Licht)

In the First Amendment of the United States Constitution, citizens are guaranteed the right to free speech, including the right to ''petition the government for a redress of grievances.'' Though many students may easily overlook the meaning of these words, it is students, in fact, who have the greatest ability to take advantage of this right.

In early April, I received an email from Resolve, an organization dedicated to raising awareness about the terror of the Lord's Resistance Army (LRA) in Central and East Africa. The email outlined a nationwide lobbying campaign taking place throughout the month and offered an opportunity for Massachusetts residents to attend a meeting with a staff member at the office of Senator John Kerry. Last year, President Obama signed into law the LRA Disarmament and Northern Uganda Recovery Act, a bill unanimously passed by Congress that ensures the United States will aid in dismantling the rebel group and protect affected civilians. Though this bill only requires less than .002 percent of our national budget, economic challenges have brought about risks of foreign aid budget cuts and the possibility of losing the bill's budget completely. Therefore, Americans throughout the country attended lobby meetings with their local government representatives in order to guarantee that the LRA Disarmament Act budget will remain intact.

The meeting was led by a student from Worcester Polytechnic Institute, and the group of ten comprised Resolve supporters who were mainly high school or college students. We were greeted warmly by Senator Kerry's representative at his Boston office. After taking our seats around a large table in a spacious conference room, we commenced our discussion. The discussion lasted for almost 30 minutes, longer than we had anticipated. Each of the group members outlined the current issues posed by the LRA and proceeded to explain the need for our government representatives to support these efforts as well. As Chairman of the Senate Foreign Relations Committee, Senator Kerry could hold much influence in this area of concern. The staff member nodded his head vigorously throughout our discussion, frequently asking questions about the situation in central Africa and about Resolve. He explained that Senator Kerry and his staff were already familiar with the deadly situation in countries such as Uganda, the Democratic Republic of the Congo, and South Sudan. He assured us that the Senator was very concerned about the situation in the region, as well, and even outlined useful tips to help us carry out additional meetings with other government officials. After outlining the key information we hoped would be passed on to Senator Kerry, we prepared to depart and began to thank him for his time. However, the senator's representative interrupted us and asked us each how we became involved in Resolve's efforts. Our reasons for becoming involved varied, but each one shared a similar message: that we could not allow such violence by this African rebel group go unnoticed.

The dedicated interest of the government officials in our concern for this issue reflects not only the overwhelming number of opportunities available in this democratic country, but also the true power of student activism in particular. Throughout this country, students frequently raise awareness for issues of local or global concern often only in their own communities. While it is absolutely crucial to rally whole communities around the cause, the opportunity to lobby government officials or their staff directly is widely overlooked. While citizens of several countries around the world are prohibited from such petitioning, this country and its officials welcome the opinions of those they are representing. Moreover, American students must not hesitate to contact their government leaders to express concern for any issue. Throughout the United States' history, young adults have instilled many lasting changes in the country through many modes of activism. Therefore, government officials take much interest in meeting with student lobbyists, for it grants them the ability to learn and hear firsthand from an influential segment of the population. Moreover, students have the ability to take action immediately through direct contact with government officials to advocate for changes that will shape the history of our country and our world.●

TRIBUTE TO ALAN MACDONALD

● Mr. KERRY. Mr. President, we are lucky in Massachusetts to have men and women who—at the community level—give of themselves to make lasting contributions to our quality of life, our neighborhoods, and our economic footing. I have always thought it was no coincidence that when DeTocqueville came to America to study the country's ''character,'' he spent much of his time in Massachusetts and reflected there that ''America is great because Americans are good.''

DeTocqueville would find much of that character still abides in Alan Macdonald, executive director of the Massachusetts Business Roundtable, whose life has been defined by good old fashioned civic leadership—for 23 years a driving force making Massachusetts a better place to live, to work and to raise a family.

Today, as Alan prepares for a much-deserved retirement, I thank him for everything he has done for our State.

Throughout 23 years at the helm of the Massachusetts Business Roundtable, Alan brought together the policymakers, industries and educators who make Massachusetts the center of economic growth, educational excellence and health care innovation it is today. The Massachusetts Business Roundtable set a laser focus on

strengthening our State's long-term economic health. Alan himself oversaw the creation of task forces on health care, on education and workforce development, on transportation and infrastructure and corporate social responsibility.

The results are clear for all to see. Massachusetts is creating jobs faster than almost every other State, our economy is expanding at twice the national growth rate, and our students are outperforming their peers around the country. Now, there are a lot of people to thank for that, and many who have played a part in the success of our State—but one of them is very definitely Alan Macdonald. Thanks in part to the strategic thinking under Alan's leadership, Massachusetts became the model for health care reforms that expand coverage and lower costs. It is one of the reasons that a well-educated work force is our State's calling card in the global economy. And it is one of the reasons our State has a competitive edge in building a 21st century infrastructure and developing clean energy. Thank you, Alan.

Alan's retirement gives him more time to spend with his wife Jane, more time with his two sons, Alan and Daniel and their families, and more time with his four grandchildren. And I think we can all agree that he has earned the extra time for his other great passions—baseball and golf.

But fortunately, the Massachusetts Business Roundtable has made Alan its president emeritus. So as the roundtable navigates the coming challenges, it is comforting to know that Alan Macdonald won't be far away.●

RECOGNIZING MORNING GLORY NATURAL FOODS

● Ms. SNOWE. Mr. President, our economy relies on small businesses, particularly small, family-owned firms that have been in operation for generation after generation. One such small business, Morning Glory Natural Foods in Brunswick, will be celebrating its ''30 Years on Maine Street'' on July 15, complete with festivities for the whole community. Today I wish to commend Morning Glory Natural Foods for its remarkable achievement.

Morning Glory Natural Foods opened its doors in May of 1981, proudly serving the mid-coast community of Brunswick with fresh, local, and organic products—from delicious local produce to organic cotton clothing, and everything in between. Since then, the firm has grown to incorporate dozens of other Maine-made products in its catalogue of goods that truly exemplify the virtues of a local economic leader.

Like so many small Maine businesses, Morning Glory is rooted in family tradition. The Tarpinian family has continually operated the store since its opening 30 years ago. It is particularly pleasing to acknowledge the successes of small, family-owned businesses, because these companies help maintain the strong, community-oriented character of Main Street America. And certainly Brunswick's Maine Street is a shining example of this uniquely American proposition.

The long-term success and longevity of Morning Glory Natural Foods and the Tarpinian family is a byproduct of the strong work ethic, customer service, and decision to sell quality, local products at affordable prices. Indeed, this business serves the local community on two levels: by providing fresh, environmentally responsible products to Maine citizens, while also supporting other local businesses by electing to sell their products. Morning Glory Natural Foods and the Tarpinians are a true testament to the rewards of hard work and perseverance.

On Friday, July 15, Morning Glory Natural Foods will be holding a celebration of ''30 Years on Maine Street,'' a storewide celebration being held at their location in the middle of Brunswick. Events include free food and drink, raffles, and sampling throughout the day, a way to say thanks to the community and the store's loyal customers. Morning Glory also plans to have an abundance of local food vendors and farmers lining the street, another wonderful way to promote and encourage growth in the local economy.

Small businesses like Morning Glory Natural Foods are the heart and soul of our Nation's communities. Main Streets across America are chock full of restaurants, grocery stores, and shopping boutiques which provide citizens with the goods and wares they need in a friendly and convenient location and deserve our recognition. Indeed, Morning Glory Natural Foods is a prime example of a small business that has persevered through a turbulent economy time and again, and has come out on top each time. I congratulate everyone at Morning Glory for this incredible milestone and wish them many more years of success.●

REMEMBERING ROGER WILLIAMS

● Mr. WHITEHOUSE. Mr. President, today I wish to reflect on a recent article on one of the most influential heroes from the earliest days of our Nation's history: Roger Williams of Rhode Island.

Roger Williams' legacy is well known in my home State of Rhode Island—the State he helped found after being banished from Massachusetts for his beliefs about religious tolerance.

Roger Williams argued that religious beliefs should be kept separate from government policies and that government should not impose a specific set of religious beliefs on its citizens. The separation of church and state is widely embraced today, both in the United States and in many countries around the world. But in the 1600s, this was a scandalous idea. The Puritans who colonized the Massachusetts Bay Colony fled England because of religious persecution, but they had no intention of allowing religious freedom in the new colonies. Rather, they established the Massachusetts Bay colony as a theocracy that enforced adherence to their particular religious beliefs with the gallows and the lash.

Roger Williams rejected this framework, and was forced to flee Massachusetts. Upon arriving at the northwestern shore of Narragansett Bay in 1636, he negotiated an agreement with the Narragansett Indians to establish a new colony on that land. As Williams wrote, ''. . .having made covenant of peaceable neighborhood with all the sachems and natives round about us, and having, in a sense of God's merciful providence unto me in my distress, called the place Providence, I desired it might be for a shelter for persons distressed for conscience.'' Later on these views would be enshrined in Rhode Island's founding charter, providing ''full liberty in religious concernments.''

Williams' principles of tolerance are the foundation on which our state, and afterwards our nation, were built. To this point, I request to have printed in the RECORD a recent op-ed from the Providence Journal by Rhode Island College Professor J. Stanley Lemons entitled ''Assessing the global importance of Roger Williams,'' which does an excellent job of capturing this piece of American history.

The information follows.

[From the Providence Journal, Friday, June 24, 2011]

ASSESSING THE GLOBAL IMPORTANCE OF ROGER WILLIAMS

(By J. Stanley Lemons)

The greatest contribution that the U.S. has made to world religion is the concept and practice of separation of church and state, and that was started in Providence with Roger Williams in 1636.

Even if nothing in the rest of the history of the state was remarkable, Providence would still have that one world-class contribution to its credit. It was the first place in modern history where citizenship and religion were separated, where freedom of conscience was the rule.

While his ideas were reviled and attacked in the 17th Century, they became embodied in the U.S. Constitution in 1789 and the Bill of Rights, appended to it in 1791.

Have you wondered why there is a Roger Williams Lodge of B'nai B'rith? Why the oldest synagogue (Touro Synagogue, in Newport) in America is in Rhode Island? Have you ever wondered why Rhode Island never had a witch trial? Or blasphemy trials? Nor hanged, whipped or jailed people because of religion? All the other colonies executed witches, but not Rhode Island. Most had blasphemy trials, but not Rhode Island.

Nearly everywhere else in colonial America, people of faith were persecuted, but not in Rhode Island. Massachusetts hanged four Quakers, and Virginia imprisoned dozens of Baptists. Maryland, which was created as a haven for Roman Catholics, came to outlaw Catholic priests and prohibited Roman Catholics from inheriting property. These things did not happen here because Roger Williams founded Providence to be a ''shelter for those distressed of conscience.'' Rhode Island's freedom of religion prevented such religious laws and abuses.

It is well to recall how this came about. Roger Williams got into serious trouble in

Massachusetts when he challenged both the political and religious establishments by asserting that the government had no role in religion. Moreover, he challenged the legitimacy of the colony itself by charging that it had stolen its land from the Indians. So he was tried and convicted of sedition, heresy and the refusal to take an oath of allegiance to the colony that required him to swear in God's name. In October 1635 he was ordered banished to England, whence he had fled in 1630 because of religious persecution.

Before the banishment could be carried out, however, he fled from Salem into the snow in January 1636 and trekked to the Narragansett Bay. In June he left the shelter of the Wampanoags and crossed the Seekonk River into the domain of the Narragansetts. From Miantonomi and Canonicus he acquired Providence. His relations with the Narragansetts were so cordial that Providence and the Narragansetts remained allies for the next 40 years against the efforts of Massachusetts, Connecticut and Plymouth colonies to destroy them both.

When the householders first gathered in Providence to form their town government, they agreed that they could make rules and laws in ''civil matters only.'' In 1644 when Williams secured his charter for the ''Province of Providence Plantations in Narragansett Bay in New England,'' that charter was for a ''civil government.'' It did not mention religion because Williams did not believe that government had any role to play in religion. ''Soul liberty'' was God's gift to all humanity; it was not something granted by any government.

Soul liberty was the freedom of every person to follow the dictates of conscience. A government could only acknowledge this freedom and stand aside to allow full freedom of religion. This meant that one had to have complete separation of church and state. For Roger Williams, separation of church and state was for the protection of the church from the corrupting effects of government. Williams wrote repeatedly that true religion needs no support of the government and that government support invariably corrupts religion.

All of the neighboring colonies regarded Providence Plantations with undisguised horror and worked for the first hundred years to dismember and destroy this ''hive of heretics.'' But they failed, and the principle that Roger Williams planted in Providence in 1636 came to be the law of all of Rhode Island and then a basic principle of the United States. And, Roger Williams, whose ideas were roundly rejected by everybody in his lifetime, would be seen by the 20th Century as the quintessential American of the 17th Century. What was the founding principle of Providence—freedom of religion (which demands separation of church and state)—now holds out a hope for the whole world where religious intolerance is the basis of so much strife.

Williams believed that it was God's command that everyone (including people that he regarded as heretics, pagans, atheists, and infidels) had a right to freedom of conscience. He believed that anyone had a right to be wrong, and that only civil debate could be used to change a heart or mind. The only tools of religion were those of the spirit, never the sword. For him, the state had no role to play in religion. He believed that whenever and wherever the government tried to meddle with religion by trying to define it or control it or enforce it, or even to support it, religion was corrupted by such efforts.

Williams and his good friend John Clarke, of Newport, shared the view that the key to a peaceful society was complete separation of church and state. Nearly everyone else believed just the opposite: They believed that peace was possible only when everyone was united in a single church in a single state. Williams's core religious principle held that each person had freedom of conscience and freedom to practice their faith. Nearly everyone else thought that the state had to punish and coerce those who had divergent religious beliefs, wrong practices, or wayward ideas.

His position on freedom of religion was wildly radical in his day and, nearly four centuries later, this basic principle is still wildly radical in great swathes of today's world. Religious freedom does not exist in most nations on the planet.

What would Roger Williams think of the idea that our nation was founded as a Christian nation? Certainly Providence and Rhode Island were not founded as a Christian government. It is deeply troubling to know that a pastor of one of the largest churches in Texas declared on national TV that ''separation of church and state is the product of some infidel's mind.''

To call Roger Williams an infidel reveals profound ignorance of our nation's history. Roger Williams utterly rejected any such concept and regarded the idea of a ''Christian nation'' as ''blasphemy.'' So, he established a government that was confined to ''civil matters only,'' and this has become a model for the world.●

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 1326. A bill to implement the President's request to increase the statutory limit on the public debt.

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–2370. A communication from the Chief of Planning and Regulatory Affairs, Food and Nutrition Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Child and Adult Care Food Program: Improving Management and Program Integrity'' (RIN0584–AC24) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2371. A communication from the Chief of Planning and Regulatory Affairs, Food and Nutrition Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010'' (RIN0584–AE11) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2372. A communication from the Chief of Planning and Regulatory Affairs, Food and Nutrition Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Special Supplemental Nutrition Program for Women, Infants and Children (WIC): Exclusion of Combat Pay from WIC Income Eligibility Determinations'' (RIN0584–AE04) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2373. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting the report of an officer authorized to wear the insignia of the grade of major general in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

EC–2374. A communication from the General Counsel of the National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled ''Prompt Corrective Action; Amended Definition of Low-Risk Assets, 76 FR 16234 (March 23, 2011)'' (RIN3133–AD81) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Banking, Housing, and Urban Affairs.

EC–2375. A communication from the General Counsel of the National Credit Union Administration, transmitting, pursuant to law, the report of a rule entitled ''Prompt Corrective Action; Amended Definition of Low-Risk Assets, 75 FR 66298 (October 28, 2010)'' (RIN3133–AD81) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Banking, Housing, and Urban Affairs.

EC–2376. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Final Flood Elevation Determinations'' ((44 CFR Part 67)(Docket No. FEMA–2011–0002)) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Banking, Housing, and Urban Affairs.

EC–2377. A communication from the Assistant General Counsel for Legislation, Regulation and Energy Efficiency, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Energy Conservation Program: Certification, Compliance, and Enforcement for Consumer Products and Commercial and Industrial Equipment'' (RIN1904–AC23) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Energy and Natural Resources.

EC–2378. A communication from the Director of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Revision of Fee Schedules; Fee Recovery for Fiscal Year 2011'' (RIN3150–AI93) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2379. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Regulation to Mitigate the Misfueling of Vehicles and Engines with Gasoline Containing Greater Than Ten Volume Percent Ethanol and Modifications to the Reformulated and Conventional Gasoline Programs'' (FRL No. 9428–2) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2380. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; State of Oregon; Regional Haze State Implementation Plan and Interstate Transport Plan'' (FRL No. 9425–3) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2381. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Antelope Valley Air Quality Management District'' (FRL No. 9427–9) received in the Office

of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2382. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; State of Louisiana'' (FRL No. 9323–7) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2383. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Imperial County Air Pollution Control District, Kern County Air Pollution Control District, and Ventura County Air Pollution Control District'' (FRL No. 9425–4) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2384. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, Imperial County Air Pollution Control District, Kern County Air Pollution Control District, and Ventura County Air Pollution Control District'' (FRL No. 9429–1) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2385. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Update to Materials Incorporated by Reference'' (FRL No. 9314–6) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2386. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Louisiana; Determination of Termination of Section 185 Fees'' (FRL No. 9430–2) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2387. A communication from the Director of the Regulatory Management Division, Office of Policy, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, San Joaquin Valley Unified Air Pollutions Control District'' (FRL No. 9428–7) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Environment and Public Works.

EC–2388. A communication from the Director, Office of Regulations, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Regulations Regarding Major Life-Changing Events Affecting Income-Related Monthly Adjustment Amounts to Medicare Part B Premiums'' (RIN0960–AH06) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Finance.

EC–2389. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to law, status reports relative to Iraq for the period of February 21, 2011 through April 20, 2011; to the Committee on Foreign Relations.

EC–2390. A communication from the Director of Regulations and Policy Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Ear, Nose, and Throat Devices; Classification of the Wireless Air-Conduction Hearing Aid'' (FDA–2011–N–0361) received in the Office of the President of the Senate on June 30, 2011; to the Committee on Health, Education, Labor, and Pensions.

EC–2391. A communication from the Program Manager, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Group Health Plans and Health Insurance Issuers: Rules Relating to Internal Claims and Appeals and External Review Processes'' (RIN0938–AQ66) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Health, Education, Labor, and Pensions.

EC–2392. A communication from the Program Manager, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transactions'' (RIN0938–AQ12) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Health, Education, Labor, and Pensions.

EC–2393. A communication from the Program Manager, Centers for Disease Control, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''World Trade Center Health Program Requirements for Enrollment, Appeals, Certification of Health Conditions, and Reimbursement'' (RIN0920–AA44) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Health, Education, Labor, and Pensions.

EC–2394. A communication from the Director of Congressional Affairs, Central Intelligence Agency, transmitting, pursuant to law, a report relative to a vacancy in the position of Director of the Central Intelligence Agency, received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Select Committee on Intelligence.

EC–2395. A communication from the Senior Procurement Executive, Office of Acquisition Policy, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''Federal Acquisition Regulation; Federal Acquisition Circular 2005–53; Introduction'' (FAC 2005–53) received in the Office of the President of the Senate on July 5, 2011; to the Committee on Armed Services.

EC–2396. A communication from the Under Secretary of Defense (Acquisition, Technology and Logistics), transmitting, pursuant to law, a report relative to the operations of the National Defense Stockpile (NDS); to the Committee on Armed Services.

EC–2397. A communication from the Secretary, Division of Corporation Finance, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Exemptions for Security-Based Swaps'' (RIN3235–AL17) received in the Office of the President of the Senate on July 15, 2011; to the Committee on Banking, Housing, and Urban Affairs.

EC–2398. A communication from the Senior Vice President and Chief Accounting Officer, Federal Home Loan Bank of Dallas, transmitting, pursuant to law, the Bank's management report for fiscal year 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC–2399. A communication from the Executive Vice President and Chief Financial Officer, Federal Home Loan Bank of Chicago, transmitting, pursuant to law, the Bank's 2010 management reports; to the Committee on Banking, Housing, and Urban Affairs.

EC–2400. A communication from the Deputy Bureau Chief, Wireline Competition Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Lifeline and Link Up Reform and Modernization, WC Docket No. 11–42; Federal-State Joint Board on Universal Service, CC Docket No. 96–45; Lifeline and Link Up, WC Docket No. 03–109'' ((RIN3060–AF85) (FCC 11–97)) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Commerce, Science, and Transportation.

EC–2401. A communication from the Director of Congressional Affairs, Office of Nuclear Regulatory Research, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Personnel Monitoring Device—Direct-Reading Pocket Dosimeters'' (Regulatory Guide 8.4) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Environment and Public Works.

EC–2402. A communication from the Director of Congressional Affairs, Office of Nuclear Regulatory Research, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Qualification for Cement Grouting for Prestressing Tendons in Containment Structures'' (Regulatory Guide 1.107, Revision 2) received during adjournment of the Senate in the Office of the President of the Senate on July 1, 2011; to the Committee on Environment and Public Works.

EC–2403. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the extension and amendment of the Agreement Between the Government of the United States of America and the Government of the Republic of Colombia Concerning the Imposition of Import Restrictions on Categories of Archaeological Material from the Pre-Columbian Cultures and Certain Ecclesiastical Ethnological Material from the Colonial Period of Colombia; to the Committee on Finance.

EC–2404. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed agreement for the export of defense articles, including, technical data, and defense services to support Proton Rocket Launch Vehicle integration and launch of the Astra 2F commercial communications satellite for the United Kingdom in the amount of $50,000,000 or more; to the Committee on Foreign Relations.

EC–2405. A communication from the Acting Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the export of defense articles, including, technical data, and defense services to Japan for the manufacture, assembly, inspection, installation, test, and sale of auxiliary power units for use in CH–47, SH–60K, UH–60J, SH–60, and UH–60 helicopters and landing craft air cushions in the amount of $50,000,000 or more; to the Committee on Foreign Relations.

EC–2406. A communication from the Deputy Assistant Administrator, Bureau for Legislative and Public Affairs, U.S. Agency for International Development (USAID), transmitting, pursuant to law, the Agency's response to the GAO report entitled ''Afghanistan Development: Enhancements to Performance Management and Evaluation Efforts Could Improve USAID's Agricultural Programs''; to the Committee on Foreign Relations.

EC–2407. A communication from the General Counsel of the National Tropical Botanical Garden, transmitting, pursuant to law, a report relative to an audit of the Garden for the period from January 1, 2010, through December 31, 2010; to the Committee on the Judiciary.

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. REED (for himself, Mr. COCHRAN, Mrs. MURRAY, Mr. ROCKEFELLER, and Mr. WHITEHOUSE):

S. 1328. A bill to amend the Elementary and Secondary Education Act of 1965 regarding school libraries, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. ROCKEFELLER:

S. 1329. A bill to amend the Workforce Investment Act of 1998 to establish a pilot program to facilitate the provision of education and training programs in the field of advanced manufacturing; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CASEY (for himself and Mrs. GILLIBRAND):

S. 1330. A bill to amend the Internal Revenue Code of 1986 to provide a temporary payroll increase tax credit for certain employers; to the Committee on Finance.

By Mr. WEBB (for himself and Mr. WARNER):

S. 1331. A bill to provide for the inclusion of Lease Sale 220 in the outer Continental Shelf leasing program for fiscal years 2012–2017, to revise the map for the Mid-Atlantic planning area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. GILLIBRAND:

S. 1332. A bill to authorize the Secretary of the Interior to conduct a special resource study of the Hudson River Valley, New York; to the Committee on Energy and Natural Resources.

By Mr. REED (for himself, Mr. HARKIN, Mrs. MURRAY, Mr. WHITEHOUSE, Mr. BROWN of Ohio, Mr. SCHUMER, Mr. LEAHY, Mr. CASEY, and Mr. BLUMENTHAL):

S. 1333. A bill to provide for the treatment and temporary financing of short-time compensation programs; to the Committee on Finance.

By Mr. UDALL of New Mexico:

S. 1334. A bill to amend the Small Business Act to ensure that certain Federal contracts are set aside for small businesses, to enhance services to small businesses that are disadvantaged, and for other purposes; to the Committee on Finance.

By Mr. INHOFE (for himself, Mr. BEGICH, Mr. JOHANNS, Mr. BOOZMAN, Ms. SNOWE, Mr. MORAN, Mr. PRYOR, Ms. COLLINS, Mr. CRAPO, Mr. THUNE, Mr. CORNYN, Ms. MURKOWSKI, Mr. ALEXANDER, Mr. ENZI, Mr. BURR, Mr. BARRASSO, Mr. CHAMBLISS, Mr. COATS, Mr. HOEVEN, Mr. ISAKSON, Mr. JOHNSON of Wisconsin, Mr. ROBERTS, Mr. BLUNT, Mr. COBURN, Mr. RISCH, and Mr. WICKER):

S. 1335. A bill to amend title 49, United States Code, to provide rights for pilots, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL COSPONSORS

S. 57

At the request of Mr. INOUYE, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 57, a bill to amend the Internal Revenue Code of 1986 to modify the application of the tonnage tax on certain vessels.

S. 169

At the request of Mr. VITTER, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 169, a bill to prohibit appropriated funds from being used in contravention of section 642(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

S. 294

At the request of Mr. SANDERS, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 294, a bill to enhance early care and education.

S. 312

At the request of Mrs. HUTCHISON, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 312, a bill to amend the Patient Protection and Affordable Care Act to repeal certain limitations on health care benefits.

S. 383

At the request of Mr. UDALL of Colorado, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 383, a bill to promote the domestic production of critical minerals and materials, and for other purposes.

S. 398

At the request of Mr. BINGAMAN, the name of the Senator from Arkansas (Mr. BOOZMAN) was added as a cosponsor of S. 398, a bill to amend the Energy Policy and Conservation Act to improve energy efficiency of certain appliances and equipment, and for other purposes.

S. 426

At the request of Mr. SANDERS, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 426, a bill to strengthen student achievement and graduation rates and prepare young people for college, careers, and citizenship through innovative partnerships that meet the comprehensive needs of children and youth.

S. 434

At the request of Mr. COCHRAN, the name of the Senator from Missouri (Mr. BLUNT) was added as a cosponsor of S. 434, a bill to improve and expand geographic literacy among kindergarten through grade 12 students in the United States by improving professional development programs for kindergarten through grade 12 teachers offered through institutions of higher education.

S. 539

At the request of Mr. WHITEHOUSE, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 539, a bill to amend the Public Health Services Act and the Social Security Act to extend health information technology assistance eligibility to behavioral health, mental health, and substance abuse professionals and facilities, and for other purposes.

S. 542

At the request of Mr. BEGICH, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 542, a bill to amend title 10, United States Code, to authorize space-available travel on military aircraft for members of the reserve components, a member or former member of a reserve component who is eligible for retired pay but for age, widows and widowers of retired members, and dependents.

S. 556

At the request of Mrs. HUTCHISON, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 556, a bill to amend the securities laws to establish certain thresholds for shareholder registration, and for other purposes.

S. 609

At the request of Mr. INHOFE, the names of the Senator from Missouri (Mr. BLUNT), the Senator from Mississippi (Mr. COCHRAN), the Senator from Indiana (Mr. COATS) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 609, a bill to provide for the establishment of a committee to assess the effects of certain Federal regulatory mandates.

S. 769

At the request of Mr. HARKIN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 769, a bill to amend title 38, United States Code, to prevent the Secretary of Veterans Affairs from prohibiting the use of service dogs on Department of Veterans Affairs property.

S. 778

At the request of Mr. MORAN, the names of the Senator from Indiana (Mr. LUGAR) and the Senator from Arkansas (Mr. BOOZMAN) were added as cosponsors of S. 778, a bill to amend title XVIII of the Social Security Act with respect to physician supervision of therapeutic hospital outpatient services.

S. 1025

At the request of Mr. LEAHY, the names of the Senator from Pennsylvania (Mr. CASEY) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1025, a bill to amend title 10, United States Code, to enhance the national defense through empowerment of the National Guard, enhancement of the functions of the

National Guard Bureau, and improvement of Federal-State military coordination in domestic emergency response, and for other purposes.

S. 1145

At the request of Mr. LEAHY, the name of the Senator from New Hampshire (Mrs. SHAHEEN) was added as a cosponsor of S. 1145, a bill to amend title 18, United States Code, to clarify and expand Federal criminal jurisdiction over Federal contractors and employees outside the United States, and for other purposes.

S. 1176

At the request of Ms. LANDRIEU, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 1176, a bill to amend the Horse Protection Act to prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption, and for other purposes.

S. 1189

At the request of Mr. PORTMAN, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1189, a bill to amend the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1501 et seq.) to provide for regulatory impact analyses for certain rules, consideration of the least burdensome regulatory alternative, and for other purposes.

S. 1279

At the request of Ms. STABENOW, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 1279, a bill to prepare disconnected youth for a competitive future.

S. 1297

At the request of Mr. BURR, the names of the Senator from Georgia (Mr. ISAKSON), the Senator from Oklahoma (Mr. INHOFE), the Senator from Utah (Mr. HATCH) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 1297, a bill to preserve State and institutional authority relating to State authorization and the definition of credit hour.

S.J. RES. 17

At the request of Mrs. FEINSTEIN, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Oregon (Mr. MERKLEY) and the Senator from Colorado (Mr. UDALL) were added as cosponsors of S.J. Res. 17, a joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

At the request of Mr. MCCONNELL, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Florida (Mr. RUBIO) were added as cosponsors of S.J. Res. 17, supra.

S.J. RES. 19

At the request of Mr. HATCH, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S.J. Res. 19, a joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REED (for himself, Mr. COCHRAN, Mrs. MURRAY, Mr. ROCKEFELLER, and Mr. WHITEHOUSE):

S. 1328. A bill to amend the Elementary and Secondary Education Act of 1965 regarding school libraries, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Mr. President, today I introduce with my colleagues Senators COCHRAN, MURRAY, ROCKEFELLER, and WHITEHOUSE, the Strengthening Kids' Interest in Learning and Libraries Act bill.

Our bipartisan legislation will reauthorize and strengthen the school library program of the Elementary and Secondary Education Act. The key improvements to the program include ensuring that elementary, middle, and high school students are served; expanding professional development to include digital literacy instruction and reading and writing instruction across all grade levels; focusing on coordination and shared planning time between teachers and librarians; awarding grants for a period of three years; and ensuring that books and materials are appropriate for and gain the interest of students with special learning needs, including English learners.

The SKILLS Act will also strengthen Title I by asking state and school district plans to address the development of effective school library programs to help students develop digital literacy skills, master the knowledge and skills in the challenging academic content standards adopted by the state, and graduate from high school ready for college and careers. Additionally, the legislation will broaden the focus of training, professional development, and recruitment activities under Title II to include school librarians.

Since 1965, more than 60 education and library studies have produced clear evidence that school libraries staffed by qualified librarians have a positive impact on student academic achievement. Knowing how to find and use information are essential skills for college and careers. A good school library, staffed by a trained school librarian, is where students develop and hone these skills.

The SKILLS Act will build on the success of the Improving Literacy through School Libraries programs that was part of the No Child Left Behind Act and is the only Federal initiative solely dedicated to supporting and enhancing our Nation's school libraries. The Department of Education's January 2009 evaluation of the program found that it had been successful in improving the quality of those school libraries receiving the grants. Unfortunately, even in the face of all the evidence of the role school libraries play in boosting student achievement and the efficacy of the program itself, the Administration opted not to use its authority to provide funding for the school library program under the fiscal year 2011 continuing resolution.

This was a very short-sighted decision. Since its enactment in 2002, the Improving Literacy through School Libraries program has been making a difference for students across the country.

In Rhode Island, for instance, this program supported the Get READY, Get Ready, Empowered And Determined Youth, project of the Woonsocket school district, which encompassed a comprehensive strategy to improve the reading skills and academic achievement of 6,296 students, in grades K–12, by addressing critical elements of an effective school library program. Grant funds allowed the district to replace outdated library materials, add one to two books per student at each library, extend library hours, and add new computers to connect students to information at other libraries. The funds also increased resources for professional development in technology training for teachers and librarians.

Absent the Federal program, the libraries in many of our high poverty schools will languish with outdated materials and technology. This is a true equity issue, which is why I will continue to fight to sustain our Federal investment in this area and why renewing and strengthening the school library program is of critical importance.

I urge my colleagues to join in cosponsoring the Strengthening Kids' Interest in Learning and Libraries Act.

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. 1328

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 ''Strengthening Kids' Interest in Learning and Libraries Act'' or the ''SKILLS Act''.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

TITLE I—IMPROVING EDUCATION THROUGH SCHOOL LIBRARIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Section 1002(b)(4) (20 U.S.C. 6302(b)(4)) is amended to read as follows:

''(4) IMPROVING LITERACY THROUGH SCHOOL LIBRARIES.—For the purpose of carrying out subpart 4 of part B, there are authorized to

be appropriated such sums as may be necessary for fiscal year 2012 and for each of the 5 succeeding fiscal years.''.

SEC. 102. STATE PLANS.

Section 1111(b)(8) (20 U.S.C. 6311(b)(8)) is amended—

(1) in the matter preceding subparagraph (A), by inserting ''or include'' after ''describe'';

(2) in subparagraph (D), by striking ''and'' after the semicolon;

(3) by redesignating subparagraph (E) as subparagraph (F); and

(4) by inserting after subparagraph (D) the following:

''(E) an assurance that the State educational agency will assist local educational agencies in developing effective school library programs to provide students an opportunity to develop digital literacy skills and the knowledge and skills described in the challenging academic content standards adopted by the State; and''.

SEC. 103. LOCAL EDUCATIONAL AGENCY PLANS.

Section 1112(c)(1) (20 U.S.C. 6312(c)(1)) is amended—

(1) in subparagraph (N), by striking ''and'' after the semicolon;

(2) in subparagraph (O), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(P) assist each school served by the agency and assisted under this part in developing effective school library programs consistent with section 1111(b)(8)(E).''.

SEC. 104. SCHOOLWIDE PROGRAMS.

Section 1114(b)(1)(D) (20 U.S.C. 6314(b)(1)(D)) is amended by inserting ''school librarians,'' after ''teachers,''.

SEC. 106. IMPROVING LITERACY AND COLLEGE AND CAREER READINESS THROUGH EFFECTIVE SCHOOL LIBRARY PROGRAMS.

Subpart 4 of part B of title I (20 U.S.C. 6383) is amended to read as follows:

''Subpart 4—Improving Literacy and College and Career Readiness Through Effective School Library Programs

''SEC. 1251. IMPROVING LITERACY AND COLLEGE AND CAREER READINESS THROUGH EFFECTIVE SCHOOL LIBRARY PROGRAMS.

''(a) PURPOSE.—The purpose of this subpart is to improve students' literacy skills and readiness for higher education and careers, by providing students with effective school library programs.

''(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) a local educational agency in which 20 percent of the students served by the local educational agency are from families with incomes below the poverty line; or

''(2) a consortia of such local educational agencies.

''(c) RESERVATION.—From the funds appropriated under section 1002(b)(4) for a fiscal year, the Secretary shall reserve—

''(1) one-half of 1 percent to award assistance under this section to the Bureau of Indian Education to carry out activities consistent with the purpose of this subpart; and

''(2) one-half of 1 percent to award assistance under this section to the outlying areas according to their respective needs for assistance under this subpart.

''(d) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(1) IN GENERAL.—From amounts appropriated under section 1002(b)(4) and not reserved under subsection (c), the Secretary shall award grants, on a competitive basis, to eligible entities to enable such entities to carry out the authorized activities described in subsection (e).

''(2) SUFFICIENT SIZE AND SCOPE.—The Secretary shall award grants under this section of sufficient size and scope to allow the eligible entities to carry out effective school library programs for which the grant funds are provided.

''(3) DISTRIBUTION.—The Secretary shall ensure that grants under this section are equitably distributed among the different geographic regions of the United States, and among eligible entities serving urban and rural areas.

''(4) DURATION.—The Secretary shall award grants under this section for a period of 3 years.

''(5) LOCAL APPLICATIONS.—An eligible entity desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Such application shall include, for each school that the eligible entity identifies as participating in a grant program under this section, the following information:

''(A) a needs assessment relating to the need for literacy improvement at all grade levels and the need for effective school library programs, based on the age and condition of school library resources, including—

''(i) book collections;

''(ii) access to advanced technology;

''(iii) the availability of well-trained, State certified or licensed school librarians; and

''(iv) the current level of coordination and shared planning time among school librarians and classroom teachers;

''(B) a description of which grade spans will be served, and an assurance that funding will be distributed to serve students in elementary, middle, and high schools;

''(C) how the eligible entity will extensively involve school librarians, teachers, administrators, and parents in the activities assisted under this section, and the manner in which the eligible entity will carry out the activities described in subsection (e) using programs and materials that are grounded in scientifically valid research;

''(D) the manner in which the eligible entity will effectively coordinate the funds and activities provided under this section with Federal, State, and local funds and activities under this subpart and other literacy, library, technology, and professional development funds and activities, including those funded through the Institute of Museum and Library Services; and

''(E) the manner in which the eligible entity will collect and analyze data on the quality and impact of activities carried out under this section by schools served by the eligible entity.

''(e) LOCAL ACTIVITIES.—Funds under this section may be used to develop and enhance effective school library programs, which may include activities to—

''(1) acquire up-to-date school library resources, including books and reading materials that—

''(A) are appropriate for students in all grade levels to be served and for students with special learning needs, including students who are limited English proficient; and

''(B) engage the interest of readers at all reading levels;

''(2) acquire and use advanced technology, incorporated into the curricula of the school, to develop and enhance the digital literacy skills of students;

''(3) facilitate Internet links and other resource-sharing networks among schools and school libraries, and public and academic libraries, where possible;

''(4) provide—

''(A) professional development in the acquisition of digital literacy skills and literacy instruction that is appropriate for all grades, including the assessment of student literacy needs, the coordination of reading and writing instruction across content areas, and training in literacy strategies in all content areas for school librarians; and

''(B) activities that foster increased collaboration among school librarians, teachers, and administrators; and

''(5) provide students with access to school libraries during nonschool hours, including the hours before and after school, during weekends, and during summer vacation periods.

''(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds expended to carry out activities relating to library, technology, or professional development activities.

''(g) ACCOUNTABILITY AND REPORTING.—Each eligible entity that receives funds under this section for a fiscal year shall prepare and submit a report to the Secretary regarding how the funding was used and the extent to which the availability of, the access to, and the use of, up-to-date school library resources in the elementary schools and secondary schools served by the eligible entity was increased.''.

TITLE II—PREPARING, TRAINING, AND RECRUITING HIGHLY EFFECTIVE TEACHERS, SCHOOL LIBRARIANS, AND PRINCIPALS

SEC. 201. TEACHER, SCHOOL LIBRARIAN, AND PRINCIPAL TRAINING AND RECRUITING FUND.

Title II (20 U.S.C. 6601 et seq.) is amended—

(1) in the title heading, by striking ''**HIGH QUALITY TEACHERS AND PRINCIPALS**'' and inserting ''**HIGHLY EFFECTIVE TEACHERS, SCHOOL LIBRARIANS, AND PRINCIPALS**''; and

(2) in the part heading, by striking ''**TEACHER AND PRINCIPAL**'' and inserting ''**TEACHER, SCHOOL LIBRARIAN, AND PRINCIPAL**''.

SEC. 202. PURPOSE.

Section 2101(1) (20 U.S.C. 6601(1)) is amended to read as follows:

''(1) increase student achievement through strategies such as—

''(A) improving teacher, school librarian, and principal quality; and

''(B) increasing the number of highly effective teachers in the classroom, highly effective school librarians in the library, and highly effective principals and assistant principals in the school; and''.

SEC. 203. STATE APPLICATIONS.

Section 2112(b)(4) (20 U.S.C. 6612(b)(4)) is amended by inserting '', school librarians,'' before ''and principals''.

SEC. 204. STATE USE OF FUNDS.

Section 2113(c) (20 U.S.C. 6613(c)) is amended—

(1) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking ''principals,'' and inserting ''highly effective school librarians, and highly qualified principals and''; and

(B) in subparagraph (B), by striking '', principals,'' and inserting '', highly effective school librarians, and highly qualified principals''; and

(2) in paragraph (6), by striking ''teachers and principals'' each place the term appears and inserting ''teachers, school librarians, and principals''.

SEC. 205. LOCAL USE OF FUNDS.

Section 2123(a) (20 U.S.C. 6623(a)) is amended by inserting after paragraph (8) the following:

''(9)(A) Developing and implementing strategies to assist in recruiting and retaining highly effective school librarians; and

''(B) providing appropriate professional development for school librarians, particularly related to skills necessary to assist students to improve the students' academic achievement, including digital literacy skills and preparation for higher education and careers.''.

TITLE III—GENERAL PROVISIONS

SEC. 301. DEFINITIONS.

Section 9101 (20 U.S.C. 7801) is amended—

(1) by redesignating paragraphs (16), (17), and (18) through (43) as paragraphs (17), (18), and (20) through (45), respectively;

(2) by inserting after paragraph (15) the following:

''(15) DIGITAL LITERACY SKILLS.—The term 'digital literacy skills' has the meaning given the term in section 202 of the Museum and Library Services Act.''; and

(3) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

''(19) EFFECTIVE SCHOOL LIBRARY PROGRAM.—The term 'effective school library program' means a school library program that—

''(A) is staffed by a State certified or licensed school librarian;

''(B) has up-to-date books, materials, equipment, and technology (including broadband);

''(C) includes regular collaboration between classroom teachers and school librarians to assist with development and implementation of the curriculum and other school reform efforts; and

''(D) supports the development of digital literacy skills.''.

SEC. 302. CONFORMING AMENDMENTS.

(a) TABLE OF CONTENTS.—The table of contents in section 2 of the Act is amended—

(1) by striking the items relating to subpart 4 of part B of title I and inserting the following:

''SUBPART 4—IMPROVING LITERACY AND COLLEGE AND CAREER READINESS THROUGH EFFECTIVE SCHOOL LIBRARY PROGRAMS

''Sec. 1251. Improving literacy and college and career readiness through effective school library programs.'';

(2) by striking the item relating to title II and inserting the following:

''TITLE II—PREPARING, TRAINING, AND RECRUITING HIGHLY EFFECTIVE TEACHERS, SCHOOL LIBRARIANS, AND PRINCIPALS'';

and

(3) by striking the item relating to part A of title II and inserting the following:

''PART A—TEACHER, SCHOOL LIBRARIAN, AND PRINCIPAL TRAINING AND RECRUITING FUND.''.

Mr. REED (for himself, Mr. HARKIN, Mrs. MURRAY, Mr. WHITEHOUSE, Mr. BROWN of Ohio, Mr. SCHUMER, Mr. LEAHY, Mr. CASEY, and Mr. BLUMENTHAL):

S. 1333. A bill to provide for the treatment and temporary financing of short-time compensation programs; to the Committee on Finance.

Mr. REED. Mr. President, today I am introducing the Layoff Prevention Act, legislation to strengthen and expand work sharing programs to keep Americans on the job and provide employers with a practical alternative to layoffs that is good for business.

While the U.S. has experienced 15 consecutive months of private-sector job creation, too many Americans, nearly 14 million, remain out of work. Like everyone in my State, I am fully focused on finding ways to create jobs. As we work to stabilize employment, our efforts should also be aimed at preventing the loss of jobs in the first place.

This is where work sharing programs make a real difference. If you are a business owner faced with the prospect of having to let go some percentage of your highly-skilled workforce because of a rough patch, work sharing allows you to keep your workers on the job with reduced hours until you can bring them back on full time when business rebounds. In this way, a business does not lose out on the considerable expense and time it has put in to hire and train these workers. This initiative helps workers by lessening the impact of those reduced hours on workers and their families because workers receive a proportionate share of unemployment benefits.

Work sharing has proven to be effective not only in my State of Rhode Island, but in the more than 20 States and the District of Columbia that have adopted it across the Nation. At the height of the recession in 2009, there was a significant jump in employer participation, demonstrating the program's value to small, medium, and large businesses. Indeed, according to the Department of Labor, work sharing programs saved approximately 165,000 jobs in 2009, nearly triple the number the year prior. As the overall economy improved in 2010, the system continued to be a valuable tool, saving 100,000 jobs. But these numbers could be much larger if more States adopted work sharing.

Although work sharing has played an increased role in preventing layoffs, it remains underutilized. Some States are not actively promoting its use; while in many other States it is simply not available.

Despite these limitations, the current economic circumstances have shined a bright light on the value of job sharing and these initiatives have been front and center as States are increasingly turning to them to prevent job losses. A growing number of States with Republican and Democratic Governors have taken action. In just the past few weeks, Maine and Pennsylvania have enacted laws to create work sharing systems, following Colorado, Oklahoma, and New Hampshire last year. The President has also recognized the potential of work sharing to stave off further job losses by including in his fiscal year 2012 budget proposal that expanded on legislation I introduced last Congress.

The bill I am introducing today along with Senators HARKIN, MURRAY, SCHUMER, SHERROD BROWN, WHITEHOUSE, LEAHY, CASEY, and BLUMENTHAL builds on this momentum and encourages States with existing lay off prevention systems to utilize them more frequently and incentivizes States without work sharing to create them. It strengthens the legislation that I authored last Congress by including changes suggested by the business community, States, economists, and other stakeholders. As in past versions, it provides States that have approved programs with temporary Federal financing for 100 percent of work sharing benefits paid to workers, limited to 26 weeks worth of benefits spread out over the course of a year. This financing is available for three years.

While the bill is designed to incentivize States to enact permanent laws to create work sharing, the bill also includes provisions to allow States to get work sharing up and running more quickly. Specifically, a State can reach an agreement with the Department of Labor to create a temporary program under which they would receive 50 percent Federal financing. This financing incentive would be available for 2 years, and such States would be eligible for a third year of 100 percent federal funding if they pass a permanent law.

In addition, the bill provides flexible grants to State labor agencies at a time when they are doing more with less. States that enact work sharing programs are eligible for grants to improve implementation and administration, and there are also grants for promotion and enrollment. These resources will play a critical role in ensuring that States are efficiently able to inform employers of its benefits, and encourage greater use of work sharing to stave off layoffs. Moreover, as work sharing programs take hold, States will see their unemployment insurance systems less burdened as fewer individuals will need to avail themselves of full unemployment benefits.

Simply put, this legislation will help more workers, businesses, and communities stay afloat, while the country works its way through these tough economic times. Moreover, the bill lays a needed foundation to protect businesses and workers from any future recession. It is a win-win for all.

First, work sharing helps speed economic recovery. Economist Mark Zandi estimates that temporary financing of work share offers a very high ''bang for the buck'' of $1.69. That is, every $1 devoted to finance State work share programs results in $1.69 in real GDP.

Second, work sharing allows businesses to retain skilled workers, temporarily cut costs, and maintain employee morale.

Third, it keeps people working while receiving a share of unemployment benefits to make up for lost wages and retaining health insurance and retirement benefits. This means workers can continue to pay their mortgages and bills, provide for their families, and support businesses in their local communities.

Keeping workers attached to the workforce is a key element of ensuring economic growth.

This legislation does not reinvent the wheel, it is not a mandate on employers or States, and it is not telling anyone what they must do.

Instead, it takes a proven jobs-saving initiative, that is increasingly being used by States, and strengthens and expands it. It gives more employers in more States the opportunity to take advantage of its benefits.

I urge my colleagues to join us in supporting this important legislation. It is my hope that we can proceed in a bipartisan manner as has been accomplished in the more than 20 States where work sharing has been adopted and take swift action to pass this legislation.

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. 1333

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 ''Layoff Prevention Act of 2011''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Treatment of short-time compensation programs.
Sec. 3. Temporary financing of short-time compensation payments in States with programs in law.
Sec. 4. Temporary financing of short-time compensation agreements.
Sec. 5. Grants for short-time compensation programs.
Sec. 6. Assistance and guidance in implementing programs.
Sec. 7. Reports.

SEC. 2. TREATMENT OF SHORT-TIME COMPENSATION PROGRAMS.

(a) DEFINITION.—

(1) IN GENERAL.—Section 3306 of the Internal Revenue Code of 1986 (26 U.S.C. 3306) is amended by adding at the end the following new subsection:

''(v) SHORT-TIME COMPENSATION PROGRAM.—For purposes of this chapter, the term 'short-time compensation program' means a program under which—

''(1) the participation of an employer is voluntary;

''(2) an employer reduces the number of hours worked by employees in lieu of layoffs;

''(3) such employees whose workweeks have been reduced by at least 10 percent, and by not more than the percentage, if any, that is determined by the State to be appropriate (but in no case more than 60 percent), are eligible for unemployment compensation;

''(4) the amount of unemployment compensation payable to any such employee is a pro rata portion of the unemployment compensation which would otherwise be payable to the employee if such employee were totally unemployed;

''(5) such employees are not expected to meet the availability for work or work search test requirements while collecting short-time compensation benefits, but are required to be available for their normal workweek;

''(6) eligible employees may participate, as appropriate, in training (including employer-sponsored training or worker training funded under the Workforce Investment Act of 1998) to enhance job skills if such program has been approved by the State agency;

''(7) the State agency shall require employers to certify that the employer will continue to provide health benefits and retirement benefits under a defined benefit plan (as defined in section 414(j)) and contributions under a defined contribution plan (as defined in section 414(i)) to any employee whose workweek is reduced under the program under the same terms and conditions as though the workweek of such employee had not been reduced;

''(8) the State agency shall require an employer to submit a written plan describing the manner in which the requirements of this subsection will be implemented (including a plan for giving advance notice, where feasible, to an employee whose workweek is to be reduced) together with an estimate of the number of layoffs that would have occurred absent the ability to participate in short-time compensation and such other information as the Secretary of Labor determines is appropriate;

''(9) in the case of employees represented by a union, the appropriate official of the union has agreed to the terms of the employer's written plan and implementation is consistent with employer obligations under the applicable Federal laws; and

''(10) upon request by the State and approval by the Secretary of Labor, only such other provisions are included in the State law that are determined to be appropriate for purposes of a short-time compensation program.''.

(2) EFFECTIVE DATE.—Subject to paragraph (3), the amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(3) TRANSITION PERIOD FOR EXISTING PROGRAMS.—In the case of a State that is administering a short-time compensation program as of the date of the enactment of this Act and the State law cannot be administered consistent with the amendment made by paragraph (1), such amendment shall take effect on the earlier of—

(A) the date the State changes its State law in order to be consistent with such amendment; or

(B) the date that is 2 years and 6 months after the date of the enactment of this Act.

(b) CONFORMING AMENDMENTS.—

(1) INTERNAL REVENUE CODE OF 1986.—

(A) Subparagraph (E) of section 3304(a)(4) of the Internal Revenue Code of 1986 is amended to read as follows:

''(E) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined under section 3306(v));''.

(B) Subsection (f) of section 3306 of the Internal Revenue Code of 1986 is amended—

(i) by striking paragraph (5) (relating to short-time compensation) and inserting the following new paragraph:

''(5) amounts may be withdrawn for the payment of short-time compensation under a short-time compensation program (as defined in subsection (v)); and''; and

(ii) by redesignating paragraph (5) (relating to self-employment assistance program) as paragraph (6).

(2) SOCIAL SECURITY ACT.—Section 303(a)(5) of the Social Security Act is amended by striking ''the payment of short-time compensation under a plan approved by the Secretary of Labor'' and inserting ''the payment of short-time compensation under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986)''.

(3) UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1992.—Subsections (b) through (d) of section 401 of the Unemployment Compensation Amendments of 1992 (26 U.S.C. 3304 note) are repealed.

SEC. 3. TEMPORARY FINANCING OF SHORT-TIME COMPENSATION PAYMENTS IN STATES WITH PROGRAMS IN LAW.

(a) PAYMENTS TO STATES.—

(1) IN GENERAL.—Subject to paragraph (3), there shall be paid to a State an amount equal to 100 percent of the amount of short-time compensation paid under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a)) under the provisions of the State law.

(2) TERMS OF PAYMENTS.—Payments made to a State under paragraph (1) shall be payable by way of reimbursement in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(3) LIMITATIONS ON PAYMENTS.—

(A) GENERAL PAYMENT LIMITATIONS.—No payments shall be made to a State under this section for short-time compensation paid to an individual by the State during a benefit year in excess of 26 times the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for a week of total unemployment.

(B) EMPLOYER LIMITATIONS.—No payments shall be made to a State under this section for benefits paid to an individual by the State under a short-time compensation program if such individual is employed by an employer on a seasonal, temporary, or intermittent basis.

(b) APPLICABILITY.—

(1) IN GENERAL.—Payments to a State under subsection (a) shall be available for weeks of unemployment—

(A) beginning on or after the date of the enactment of this Act; and

(B) ending on or before the date that is 3 years and 6 months after the date of the enactment of this Act.

(2) THREE-YEAR FUNDING LIMITATION FOR COMBINED PAYMENTS UNDER THIS SECTION AND SECTION 4.—States may receive payments under this section and section 4 with respect to a total of not more than 156 weeks.

(c) TWO-YEAR TRANSITION PERIOD FOR EXISTING PROGRAMS.—During any period that the transition provision under section 2(a)(3) is applicable to a State with respect to a short-time compensation program, such State shall be eligible for payments under this section. Subject to paragraphs (1)(B) and (2) of subsection (b), if at any point after the date of the enactment of this Act the State enacts a State law providing for the payment of short-time compensation under a short-time compensation program that meets the definition of such a program under section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a), the State shall be eligible for payments under this section after the effective date of such enactment.

(d) FUNDING AND CERTIFICATIONS.—

(1) FUNDING.—There are appropriated, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary for purposes of carrying out this section.

(2) CERTIFICATIONS.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section.

(e) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(2) STATE; STATE AGENCY; STATE LAW.—The terms ''State'', ''State agency'', and ''State law'' have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SEC. 4. TEMPORARY FINANCING OF SHORT-TIME COMPENSATION AGREEMENTS.

(a) FEDERAL-STATE AGREEMENTS.—

(1) IN GENERAL.—Any State which desires to do so may enter into, and participate in, an agreement under this section with the Secretary provided that such State's law does not provide for the payment of short-time compensation under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a)).

(2) ABILITY TO TERMINATE.—Any State which is a party to an agreement under this section may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF FEDERAL-STATE AGREEMENT.—

(1) IN GENERAL.—Any agreement under this section shall provide that the State agency of the State will make payments of short-time compensation under a plan approved by the State. Such plan shall provide that payments are made in accordance with the requirements under section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a).

(2) LIMITATIONS ON PLANS.—

(A) GENERAL PAYMENT LIMITATIONS.—A short-time compensation plan approved by a State shall not permit the payment of short-time compensation to an individual by the State during a benefit year in excess of 26 times the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for a week of total unemployment.

(B) EMPLOYER LIMITATIONS.—A short-time compensation plan approved by a State shall not provide payments to an individual if such individual is employed by an employer on a seasonal, temporary, or intermittent basis.

(3) EMPLOYER PAYMENT OF COSTS.—Any short-time compensation plan entered into by an employer must provide that the employer will pay the State an amount equal to one-half of the amount of short-time compensation paid under such plan. Such amount shall be deposited in the State's unemployment fund and shall not be used for purposes of calculating an employer's contribution rate under section 3303(a)(1) of the Internal Revenue Code of 1986.

(c) PAYMENTS TO STATES.—

(1) IN GENERAL.—There shall be paid to each State with an agreement under this section an amount equal to—

(A) one-half of the amount of short-time compensation paid to individuals by the State pursuant to such agreement; and

(B) any additional administrative expenses incurred by the State by reason of such agreement (as determined by the Secretary).

(2) TERMS OF PAYMENTS.—Payments made to a State under paragraph (1) shall be payable by way of reimbursement in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(3) FUNDING.—There are appropriated, out of moneys in the Treasury not otherwise appropriated, such sums as may be necessary for purposes of carrying out this section.

(4) CERTIFICATIONS.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section.

(d) APPLICABILITY.—

(1) IN GENERAL.—An agreement entered into under this section shall apply to weeks of unemployment—

(A) beginning on or after the date on which such agreement is entered into; and

(B) ending on or before the date that is 2 years and 13 weeks after the date of the enactment of this Act.

(2) TWO-YEAR FUNDING LIMITATION.—States may receive payments under this section with respect to a total of not more than 104 weeks.

(e) SPECIAL RULE.—If a State has entered into an agreement under this section and subsequently enacts a State law providing for the payment of short-time compensation under a short-time compensation program that meets the definition of such a program under section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a), the State—

(1) shall not be eligible for payments under this section for weeks of unemployment beginning after the effective date of such State law; and

(2) subject to paragraphs (1)(B) and (2) of section 3(b), shall be eligible to receive payments under section 3 after the effective date of such State law.

(f) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(2) STATE; STATE AGENCY; STATE LAW.—The terms ''State'', ''State agency'', and ''State law'' have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SEC. 5. GRANTS FOR SHORT-TIME COMPENSATION PROGRAMS.

(a) GRANTS.—

(1) FOR IMPLEMENTATION OR IMPROVED ADMINISTRATION.—The Secretary shall award grants to States that enact short-time compensation programs (as defined in subsection (i)(2)) for the purpose of implementation or improved administration of such programs.

(2) FOR PROMOTION AND ENROLLMENT.—The Secretary shall award grants to States that are eligible and submit plans for a grant under paragraph (1) for such States to promote and enroll employers in short-time compensation programs (as so defined).

(3) ELIGIBILITY.—

(A) IN GENERAL.—The Secretary shall determine eligibility criteria for the grants under paragraph (1) and (2).

(B) CLARIFICATION.—A State administering a short-time compensation program, including a program being administered by a State that is participating in the transition under the provisions of sections 2(a)(3) and 3(c), that does not meet the definition of a short-time compensation program under section 3306(v) of the Internal Revenue Code of 1986 (as added by 2(a)), and a State with an agreement under section 4, shall not be eligible to receive a grant under this section until such time as the State law of the State provides for payments under a short-time compensation program that meets such definition and such law.

(b) AMOUNT OF GRANTS.—

(1) IN GENERAL.—The maximum amount available for making grants to a State under paragraphs (1) and (2) shall be equal to the amount obtained by multiplying $700,000,000 (less the amount used by the Secretary under subsection (e)) by the same ratio as would apply under subsection (a)(2)(B) of section 903 of the Social Security Act (42 U.S.C. 1103) for purposes of determining such State's share of any excess amount (as described in subsection (a)(1) of such section) that would have been subject to transfer to State accounts, as of October 1, 2010, under the provisions of subsection (a) of such section.

(2) AMOUNT AVAILABLE FOR DIFFERENT GRANTS.—Of the maximum incentive payment determined under paragraph (1) with respect to a State—

(A) one-third shall be available for a grant under subsection (a)(1); and

(B) two-thirds shall be available for a grant under subsection (a)(2).

(c) GRANT APPLICATION AND DISBURSAL.—

(1) APPLICATION.—Any State seeking a grant under paragraph (1) or (2) of subsection (a) shall submit an application to the Secretary at such time, in such manner, and complete with such information as the Secretary may require. In no case may the Secretary award a grant under this section with respect to an application that is submitted after December 31, 2014.

(2) NOTICE.—The Secretary shall, within 30 days after receiving a complete application, notify the State agency of the State of the Secretary's findings with respect to the requirements for a grant under paragraph (1) or (2) (or both) of subsection (a).

(3) CERTIFICATION.—If the Secretary finds that the State law provisions meet the requirements for a grant under subsection (a), the Secretary shall thereupon make a certification to that effect to the Secretary of the Treasury, together with a certification as to the amount of the grant payment to be transferred to the State account in the Unemployment Trust Fund (as established in section 904(a) of the Social Security Act (42 U.S.C. 1104(a))) pursuant to that finding. The Secretary of the Treasury shall make the appropriate transfer to the State account within 7 days after receiving such certification.

(4) REQUIREMENT.—No certification of compliance with the requirements for a grant under paragraph (1) or (2) of subsection (a) may be made with respect to any State whose—

(A) State law is not otherwise eligible for certification under section 303 of the Social Security Act (42 U.S.C. 503) or approvable under section 3304 of the Internal Revenue Code of 1986; or

(B) short-time compensation program is subject to discontinuation or is not scheduled to take effect within 12 months of the certification.

(d) USE OF FUNDS.—The amount of any grant awarded under this section shall be used for the implementation of short-time compensation programs and the overall administration of such programs and the promotion and enrollment efforts associated with such programs, such as through—

(1) the creation or support of rapid response teams to advise employers about alternatives to layoffs;

(2) the provision of education or assistance to employers to enable them to assess the feasibility of participating in short-time compensation programs; and

(3) the development or enhancement of systems to automate—

(A) the submission and approval of plans; and

(B) the filing and approval of new and ongoing short-time compensation claims.

(e) ADMINISTRATION.—The Secretary is authorized to use 0.25 percent of the funds available under subsection (g) to provide for outreach and to share best practices with respect to this section and short-time compensation programs.

(f) RECOUPMENT.—The Secretary shall establish a process under which the Secretary shall recoup the amount of any grant awarded under paragraph (1) or (2) of subsection (a) if the Secretary determines that, during the 5-year period beginning on the first date that any such grant is awarded to the State, the State—

(1) terminated the State's short-time compensation program; or

(2) failed to meet appropriate requirements with respect to such program (as established by the Secretary).

(g) FUNDING.—There are appropriated, out of moneys in the Treasury not otherwise appropriated, to the Secretary, $700,000,000 to carry out this section, to remain available without fiscal year limitation.

(h) REPORTING.—The Secretary may establish reporting requirements for States receiving a grant under this section in order to provide oversight of grant funds.

(i) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(2) SHORT-TIME COMPENSATION PROGRAM.—The term ''short-time compensation program'' has the meaning given such term in section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a).

(3) STATE; STATE AGENCY; STATE LAW.—The terms ''State'', ''State agency'' and ''State law'' have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SEC. 6. ASSISTANCE AND GUIDANCE IN IMPLEMENTING PROGRAMS.

(a) IN GENERAL.—In order to assist States in establishing, qualifying, and implementing short-time compensation programs (as defined in section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a)), the Secretary of Labor (in this section referred to as the ''Secretary'') shall—

(1) develop model legislative language which may be used by States in developing and enacting such programs and periodically review and revise such model legislative language;

(2) provide technical assistance and guidance in developing, enacting, and implementing such programs;

(3) establish reporting requirements for States, including reporting on—

(A) the number of estimated averted layoffs;

(B) the number of participating employers and workers; and

(C) such other items as the Secretary of Labor determines are appropriate.

(b) MODEL LANGUAGE AND GUIDANCE.—The model language and guidance developed under subsection (a) shall allow sufficient flexibility by States and participating employers while ensuring accountability and program integrity.

(c) CONSULTATION.—In developing the model legislative language and guidance under subsection (a), and in order to meet the requirements of subsection (b), the Secretary shall consult with employers, labor organizations, State workforce agencies, and other program experts.''

SEC. 7. REPORTS.

(a) INITIAL REPORT.—

(1) IN GENERAL.—Not later than 4 years after the date of the enactment of this Act, the Secretary of Labor shall submit to Congress and to the President a report or reports on the implementation of the provisions of this Act.

(2) REQUIREMENTS.—Any report under paragraph (1) shall include the following:

(A) A description of best practices by States and employers in the administration, promotion, and use of short-time compensation programs (as defined in section 3306(v) of the Internal Revenue Code of 1986, as added by section 2(a)).

(B) An analysis of the significant challenges to State enactment and implementation of short-time compensation programs.

(C) A survey of employers in States that have not enacted a short-time compensation program or entered into an agreement with the Secretary on a short-time compensation plan to determine the level of interest among such employers in participating in short-time compensation programs.

(D) Other matters related to the implementation of the provisions of this Act as the Secretary of Labor determines appropriate.

(b) SUBSEQUENT REPORTS.—After the submission of the report under subsection (a), the Secretary of Labor may submit such additional reports on the implementation of short-time compensation programs as the Secretary deems appropriate.

(c) FUNDING.—There are appropriated, out of any moneys in the Treasury not otherwise appropriated, to the Secretary of Labor, $1,500,000 to carry out this section, to remain available without fiscal year limitation.

By Mr. INHOFE (for himself, Mr. BEGICH, Mr. JOHANNS, Mr. BOOZMAN, Ms. SNOWE, Mr. MORAN, Mr. PRYOR, Ms. COLLINS, Mr. CRAPO, Mr. THUNE, Mr. CORNYN, Ms. MURKOWSKI, Mr. ALEXANDER, Mr. ENZI, Mr. BURR, Mr. BARRASSO, Mr. CHAMBLISS, Mr. COATS, Mr. HOEVEN, Mr. ISAKSON, Mr. JOHNSON of Wisconsin, Mr. ROBERTS, Mr. BLUNT, Mr. COBURN, Mr. RISCH, and Mr. WICKER):

S. 1335. A bill to amend title 49, United States Code, to provide rights for pilots, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. INHOFE. Mr. President, just a few minutes ago I did introduce and we have a bill number that is S. 1335. It is the Pilot's Bill of Rights. It is very significant that we get this done today, and I will explain why.

First of all, when Senator John Glenn from Ohio retired, that left me as the last active commercial pilot in the Senate. Consequently, I probably get more complaints than anybody else does about problems and abuses with the FAA.

I have to say this: I was very complimentary yesterday to so many of the people. The vast majority of the inspectors, the controllers, and others at the FAA are so talented. In fact, the first thing I do when I go up to Oshkosh every year, the largest air show in the world, is I go up to where they are all gathered together and I compliment them on the fact that they are taking on the toughest job for a 6-day period in Oshkosh as a volunteer. So I love their virtues. However, we have to keep in mind that any bureaucracy can become abusive.

So I have introduced the Pilot's Bill of Rights. The reason I am speaking right now is because we have 25 cosponsors at this time, which means 25 percent of the Senate has signed on as cosponsors.

The way the rules work around here, any of the Members who might be listening right now—and I know the occupier of the Chair is very concerned about this and he is very active with me on this legislation—any staffers who are watching, they should advise their Members that they have until close of business today, probably 1 more hour, to put their names down as original cosponsors.

Now, the bill simply does four things. First of all, it requires the FAA, for any enforcement action, to make sure the pilot is fully aware of what he is being accused of before any ultimatums are put forth. Consequently, that pilot is able to defend himself.

The second thing is it clarifies what they call statutory deference. Right now, statutory deference relates to the National Transportation Safety Board. The NTSB is the only area of appeal, so that if a pilot is accused of something and he looks at it and thinks it is unfair, he would have to go to the NTSB. Yet because of deference, they merely rubberstamp in almost all cases what the FAA does. As an example, of the emergency determinations that were made last year, only one was actually granted and the rest of them were denied. This bill will allow, in terms of fairness, that if something is going on and they refuse to consider a case, there will be an appellate process where the pilot can go to the Federal District Court and be heard there.

The third thing it does is it has to do with notice. That is notice to airmen. That is very significant. Those of us who are pilots know that when we go into a field, we check and see what the NOTAMs are, so that if there is any work on the runway, any problem there, any taxiways that are closed, they will give the pilot that information. However, the problem is it is the pilot's responsibility to do this and the FAA many times doesn't even post these NOTAMs. So what we are saying with our FARs, or our laws, is we are saying to a pilot, You have to be responsible to know what is going on at the airport, where you are going to be landing. Yet there is no place you can find out. So this requires that they revamp this system so that there is a central location. We specify that in the legislation, so that can be found.

Then the fourth and final thing, there is another problem in terms of medical certification. Those of us who are pilots have to have medicals and we have to have a certification process. This has been a problem for a long period of time. I have had countless people call me and talk about the problems they are having with their medical certification. In fact, of all the requests for assistance to the Aircraft Owners and Pilots Association—they represent hundreds of thousands of pilots—of all the requests for assistance they receive each year, 28 percent are related to the FAA's medical certification process. So I would say this of this very simple legislation. Two sections actually change the statutes so that it offers protection to pilots, but

the other two are working together to come up with a system where we can have a central location for NOTAMs as well as having a fair process for medical evaluations.

I think it is very obvious that there are a lot of bureaucracies where one or two people can be bad. When I was in Tulsa, I can remember all it took was one or two bad cops and that gave a black eye to everybody else. I remember actually, when I was running—it is the whole reason I ran for office in the first place. When I was out in the private sector, I was doing things that I thought I was supposed to be doing, and I had one old building called the Wrightsman Oil Estate. I was going to take this old eyesore and make it into a building and preserve it as it was originally. Old, in my city of Tulsa, OK, in this case was maybe 1910 or 1912. We weren't even a State until 1907. This is something everybody wanted.

I went to the city engineer and I said, I want to take this eyesore of a fire escape on the second floor and move it from the south to the north end. It is the same thing; it will service the same number of people, but it is an eyesore and this gets it out of the way. No one is against it. He said, You can't do that until this committee meets. So let's see. You have to have notice. That would be 3 more weeks before you can get notice. A month after that, you can get on the agenda. I said, Look, everyone is for it. He said, That is your problem, not mine. I said, I will run for mayor and fire you, and I did, and I fired him. This can happen in any bureaucracy.

So the reason there is a sense of urgency is because we have already told all of the groups—the Experimental Aircraft Association, ALPA, all of these groups that represent these different organizations—that we are going to be getting this bill ready with all of our original cosponsors and then cosponsors so that when we arrive and when I arrive at the end of July, at Oshkosh, WI, I am going to do the same thing I did in 1994 that caused us to be able to pass the first product liability bill on aviation and aviation products that had the effect of changing us from a major importer of aviation products and of airplanes to a major exporter, just by changing that. It was an 18-year repose bill. I did that at Oshkosh with an audience of 200,000 people. These are single issue people. I can assure my colleagues that they will be just as interested in this bill.

So I will be presenting this, and I am going to encourage Members of the Senate who want to get their name in today, they can be cosponsors, original cosponsors, as is the occupier of the chair at the present time, and myself, and 23 other Members of the Senate.

One last reminder. This is S. 1335. This is the last chance. Colleagues have 1 more hour to be an original cosponsor. I hope my colleagues will join me in sponsoring this legislation.

ORDERS FOR THURSDAY, JULY 7, 2011

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m., on Thursday, July 7; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate resume the motion to proceed to Calendar No. 93, S. 1323, a bill to express the sense of the Senate on shared sacrifice in resolving the budget deficit, with the time until 10 a.m. equally divided and controlled between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each; that at 10 a.m., the Senate conduct a rollcall vote on the motion to invoke cloture on the motion to proceed to S. 1323.

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

PROGRAM

Mr. LAUTENBERG. Mr. President, there will be a vote tomorrow morning at approximately 10 a.m.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. LAUTENBERG. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 7:24 p.m., adjourned until Thursday, July 7, 2011, at 9:30 a.m.