United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 112th CONGRESS, SECOND SESSION

Vol. 158 WASHINGTON, MONDAY, DECEMBER 31, 2012 No. 171

Senate

(Legislative day of Sunday, December 30, 2012)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (PATRICK J. LEAHY).

PRAYER

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

Let us pray.

Almighty God, we praise Your Name. You are high over all the nations and Your glory is greater than the Heaven. Let Your spirit move our lawmakers to do Your will. Teach them valuable lessons from Your hardships and adversities, as they work to be worthy of the sacrifices of those who have already given so much for freedom. Lift them from the darkness of hopelessness so that they may take steps toward Your light. May Your presence and grace bring comfort as You inspire them to choose what is right and just. May they take the tide that leads to fortune rather than risk a national voyage bound in shackles and in miseries.

We pray in your powerful Name.

Amen.

PLEDGE OF ALLEGIANCE

The Honorable PATRICK J. LEAHY 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.

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following leader remarks, we will be in a period of morning business with Senators permitted to speak up to 10 minutes each.

THE FISCAL CLIFF

Mr. REID. Mr. President, discussions continue on a plan to protect middle-class families from a tax increase tomorrow. There are a number of issues on which the two sides are still apart, but negotiations are continuing as I speak.

We are running out of time. Americans are still threatened with the tax hike in just a few hours. I hope we can keep in mind—and I know we will—that our single most important goal is to protect the middle-class families. Whether or not we reach an agreement in the short time we have left, we will need cooperation on both sides to prevent taxes from going up tomorrow for every family in America.

I repeat, there are still some issues we need to resolve before we can bring legislation to the floor.

I yield the floor.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senate will proceed to a period of morning business until 12 noon for debate only, with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand we are in a period of morning business.

The PRESIDENT pro tempore. The Senator is correct.

THE FISCAL CLIFF

Mr. HARKIN. Mr. President, I was disturbed to read in the Washington Post this morning that some agreements were being made, that Democrats have agreed to raise the level from $250,000 to $450,000 and we would keep the estate taxes at the $5 million level at 35 percent.

All I can say is this is one Democrat who does not agree with that at all. What it looks like is all the taxes are going to be made permanent, but those items that the middle-class in America truly depend on are extended for 1 year—maybe 2 years at the most. I think that is grossly unfair.

We are going to lock in forever the idea that $450,000 a year is middle class in America? Need I remind people that those making $250,000 are the top 2 percent income earners in America? I know the President keeps saying he wants to protect tax cuts for the middle class, which is fine. I am all for that. If we go up to $250,000, that is a pill we can swallow because that covers everyone except the top 2 percent. Those who make $250,000 a year are not middle class. They are the top 2 percent of income earners in America.

What have we forgotten? Have we forgotten that the average income earners in America are making $25,000, $30,000, $40,000, $50,000, $60,000 a year? That is the real middle class in America, and they are the ones who are getting hammered right now. They are getting hammered with housing and rental costs, heating bills, kids going to school, and they have no retirement. Now there is talk about raising the retirement age on people who work hard every day. There are women who have been standing on their feet every day for 30 or 40 years. Are they going to raise the retirement age on them again?

If we are going to have some kind of deal, the deal must be one that truly does favor the real middle class. Those who are making $30,000, $40,000, $50,000, 60,000, $70,000 a year are the real middle

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

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class in America. Quite frankly, as I see this develop—and as I have said before—no deal is better than a bad deal and this looks like a very bad deal the way this is shaping up. I wish to make it clear I am all in favor of compromise. I have been here a long time, and I have made a lot of compromises. I am willing to make more compromises, but this is one point in time where decisions which are made on this so-called deal will potentially lock in what kind of country and society we are going to be for the next 10 years. So we better be darned careful.

If no deal is reached, then on the tax side we go back to the taxes that were enacted under President Clinton. All the Democrats who were here then voted for the Clinton tax bill in 1993. We heard all kinds of talk from the other side of the aisle of how this was going to be disastrous, kill the economy, and it was going to be awful. Not one Republican supported it, but we passed it. President Clinton signed it into law, and guess what happened. The economy took off. Unemployment came down, the economy started going, and we were paying down the deficit. We had 3 or 4 straight years of surpluses. CBO said if we continued down that path, we would pay off the national debt by 2010.

Then George Bush came into office. They looked at all the surpluses out there and said: Guess what. We have to take some of that and give it back in tax cuts, and that is what they did. That is what will end tonight. Those Bush tax cuts will end, and we will go back to the tax system we had under Bill Clinton. What is so bad about that? It worked pretty darned well. The economy was going well, and we were paying down the deficit. Things were going well under Bill Clinton and that tax system and that is what we will go back to tomorrow. What is so bad about that?

What has happened in the last 10 years is a lot of people have gotten very rich in this country and now they want to protect their wealth. That is what they want to do. They want to lock in this system on estate taxes and lower tax rates up to $450,000, $500,000, $1 million or whatever they want and they want to lock that in. I think it is time for them to start paying their fair share, as they did under the Clinton tax provisions we had in place at that time.

To go back to the tax provisions we had under Bill Clinton does not frighten me one bit, but now we hear the same song and dance from the Republicans: Oh, if we do that, the sky is going to fall, the world will end tomorrow, and the markets will go all to heck. We heard that in 1993, and they were wrong. We are hearing it again today about what will happen if we go back to the Clinton-era tax provisions. They say the sky is going to fall, and they are wrong again. They are just wrong again.

I, for one, do not fear going back to a system of taxation that basically worked very well for our country. It was the Bush tax cuts that messed everything up for 10 years and allowed a few people to get very rich but kept the middle class from advancing at all.

Again, this idea that somehow a deal is going to be cooked up and all these tax advantages people had over the last 10 years and have now in estate taxes will be permanent does not sit well with this Senator. Yet when we are talking about unemployment insurance, investments in other parts of our economy, the sustainable growth rate for our hospitals, doctors, and Medicare, that is only good for 1 or 2 years. But the tax side that lets those most privileged in our society continue to not pay the share that I think they should be paying is not a good deal. That is not fair, that is not equitable, and that is not just.

I hope those who are negotiating continue to negotiate. If there is a deal that could be made which truly does focus on the middle class and gets our estate taxes back where they were before—at some reasonable level and not at the level they are right now—then maybe we could live with something such as that. But from what I read this morning, the direction they are headed is absolutely the wrong direction for our country.

I yield the floor.

I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mrs. BOXER. Mr. President, we are all here and hopeful there will be a deal so we can avert going over the fiscal cliff. I listened carefully to the remarks of my friend Senator HARKIN, which I would have to describe as fairly negative. I wish to project a bit more of a positive view.

We all know that no side, if there is a deal, is going to get 100 percent of what they want. We know that because one party doesn't control everything, so we are going to have to meet somewhere in the middle of where both parties stand. We also know if we don't act, 100 percent of the American people are going to start feeling an impact of higher taxes.

I honestly do not worry about the millionaires and the billionaires at all. I don't worry about the people who are fine, who don't even know or care that much about a tax hike that takes them back to the Clinton years when they did very well. I don't worry about those folks. I worry about the folks in the middle. There are always arguments about what that line is. Some say the middle class is at $75,000, some say $150,000, and some go even higher because their States, as is my State, are very high cost-of-living States. So we know if we are going to get a deal, we are going to have to meet somewhere in the middle. To me, if we fail, it will be a very sad moment in history.

I hear a lot of talk about the sequester. I don't know exactly how the President pro tempore voted, but I voted for a sequester if we couldn't find savings as part of a debt limit deal. I am not about to stand here and say we should throw it out. I don't like it; it will bite. But if we said we are going to make savings, and if we couldn't do it one way we would do it through the sequester, then I think we have to step to the plate and admit that is the policy we voted for.

I would much prefer to ease it, and I think there are ways to do that. One way is to bring the money home from the overseas spending account and use that money because we are getting out of Afghanistan, thank God, and the war in Iraq is over. So we could bring home that overseas war account money and use that to soften the sequester or even to stop it completely. My understanding is my Republican colleagues don't view that as real, but the Congressional Budget Office says it is real. So that is a way we can stop the sequester.

Other than that, I think we have to own up to the fact that in the debt ceiling made-up crisis—this is a made-up crisis and that was a made-up crisis—we said if there were not cuts coming forward, we could go to an automatic spending cut regime. We can't run away from things we did, it seems to me.

So I think there are the elements of putting something together. I know the Vice President is working hard with Senator MCCONNELL and Senator REID as an honest broker to bring us together. I know Senator HARKIN is not very optimistic at this point based on what he is hearing. I believe, from what I am hearing, there may be something, maybe—there may not be; we don't know, we haven't seen it. It may be something that extends unemployment benefits, which is very important. It is critical. If we want to talk about the real cliff, it is for the people who are about to lose their unemployment compensation.

The economists tell us that is the best bang for the buck. When we give someone who is unemployed a dollar, he goes out, she goes out, they spend in the community, and it has a multiplier effect that actually spurs economic growth in the community because 70 percent of our economy is based on consumers. If they have nothing, then the communities have nothing, the local businesses have nothing, let alone they would suffer and some, perhaps, lose their houses and such. So we need to do that. That is critical.

If that is not in the deal, that deal is a real problem. So if that is in there, and we do the tax extenders even for a shorter period of time, and we stop raising taxes on 98 percent, 97 percent of the people, I don't think we should

prejudge that at this point. The devil is always in the details. Something could come out that is just a nonstarter.

Senator REID went down to that microphone yesterday and said to the Republicans: We are not cutting Social Security benefits; that is not part of this package: Don't even put it on the table; stop. After the Republicans had their luncheon meeting, they came out and actually took it off the table. That was positive. Don't try to slip things in here that could hurt the people, that will balance the budget on the backs of those who can't do it. Don't bring up Social Security when we are doing a very short term deal to get us over this cliff.

So none of us, except for a couple of people, really know what is in this deal. We are hearing leaks about it, we are hearing rumors about it, but we don't know if we will have the deal. Personally, I hope we have something we can look at and decide whether it is something we can support and not prejudge it at this stage because we have to remember something: This is a compromise. We don't have a parliamentary system of government. One party doesn't run the show. It is shared responsibility. It is frustrating, and it is difficult.

I was able to bring a highway bill to the floor as the chairman of the Environmental and Public Works Committee, doing it with Senator INHOFE, and a person couldn't find two people more philosophically apart than we are. I have seen the President pro tempore do the same in his committee, working with the other side, and he brought out of his committee an incredible bill called the Violence Against Women Act. He did it with the Republicans.

I watched Senator STABENOW and PAT ROBERTS come forward with a farm bill. I have watched Senator FEINSTEIN in intelligence, and I have watched Senator LEVIN and Senator MCCAIN. We can make it happen. It can happen. We have to make it happen.

I will close with this: I served in the House for 10 years. I served with incredible Members. One of them was Tip O'Neill, and he was the Speaker. Tip O'Neill had a certain magic about him. The magic was he understood how to get things done because he didn't consider himself Speaker of the Democrats; he considered himself Speaker of the House. He knew the magic number was 218. That was the number. He would come over to me and every Member when there was a tough vote, and he would say: Well, BARBARA, can you be with me on this one?

I would say: Gee, Mr. Speaker, I don't think so. It is not good for my district. I really don't think I can.

He would say to me: Well, you know what. If that is how you feel about it, I understand. If I need you, I will come back to you.

Then he would go do the same thing and pick up some Republicans on the other side, and he would get the magic 218 and it would be done.

Right now we have Speaker BOEHNER, whom I know and like personally, but it seems as though he doesn't want to talk to the Democrats. Nothing is going to get done for our country if we don't talk to each other. We don't have a parliamentary system. We have to work together.

So I wanted to add at least a cautiously optimistic note. I am hopeful we will get something done, and I think if we do, and if it is fair—fair enough—we should get our country off this cliff.

Thank you very much. I yield the floor.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator from Vermont.

Mr. LEAHY. Mr. President, I guess one of the advantages of being President pro tempore is I actually get to preside more than I had for a while and hear some of the speeches of my colleagues, which I appreciate. The Senate is a place I love, as I know the distinguished Presiding Officer does. It is, as I have often said, a place that should be considered the conscience of the Nation. There are only 100 of us representing over 300 million Americans. We should be able to stand and be their conscience.

I worry, though—as I hear the debate on this so-called fiscal cliff and I hear some on the other side say, well, we are not prepared to vote or we don't want to vote—because that means they want to vote maybe. None of us were elected on a promise to vote maybe.

If the other side wants to vote and give huge tax cuts to longtime millionaires, fine, then vote. Vote yes for that if they want. But don't say: We will not have any vote one way or the other; we will vote maybe.

We are supposed to be willing to take the consequences of how we vote. Vote yes or vote no. If a Member wants to vote for keeping taxes lower for the middle class, for those who have hourly wages, for those who work hard in our economy, then stand and vote yes, we want to give them a tax break. If a Member doesn't want to give them a tax break, then vote no. But what is happening, by refusing to vote at all, whether it is the Republicans in the House of Representatives or in the Senate, what they are doing with their ''maybe'' vote is they are going to dramatically increase taxes on the middle class. Then, in an effort to justify that, they say: We wanted to vote maybe because we wanted in the end run to protect millionaires.

Well, millionaires do all right. I know a lot of millionaires. They have told me, as the Senator from Iowa said earlier this morning, they could afford the taxes they paid during the Clinton era because during that era, they made more money than they had ever made. So they paid some of the higher taxes. So what. The amount of money they had at the end of the year was greater than it ever had been.

But we know what happened during that Clinton era. We balanced the budget—incidentally, not a single Republican voted for the plan. In fact, they gave speeches on the floor that the plan would bring about recession, even a depression. Instead, the economy grew faster than it ever had before. People had more money in their pockets than they ever had before. We balanced the budget, and we started paying down the national debt.

When the next administration came in, they gave everybody, including millionaires, a big tax cut. But worse than that, they began a war in Iraq that never should have begun, against Iraq, which had nothing to do with 9/11, even though we had the Vice President of the United States suggesting in his speeches it was connected with 9/11, claiming there were weapons of mass destruction, even though those who actually read the intelligence—as the former vice chairman of the Intelligence Committee, Senator GRAHAM of Florida, did, and I did—realized there were no weapons of mass destruction. But they voted for this war.

One of the bad mistakes they made—other than the tragic mistake of going to a war we had no reason to go to; one that cost us thousands of American lives and countless thousands of other lives and $1 trillion—they did something we had never done before in the history of this country, they said: We will go to that war on a credit card. We will just borrow the money.

Vietnam was an unpopular war, but we had a surtax to pay for it. Korea was an unpopular war. We paid for it. World War II—we knew it was the survival of our Nation, and we paid for it. In Iraq, we have spent $1 trillion and we will be spending for longer than any of us in this body will probably live, as we pay for the damage to so many of our brave men and women, and we borrowed the money. We took the surpluses built up over the Clinton era and wasted them.

We are doing the same thing in Afghanistan. This is a country where our reason for going in there was to get Osama bin Laden. When the decision was made to go into Iraq, it allowed Osama bin Laden to escape. We go into a nation-building war, which seems to have no end, again, on a credit card. Osama bin Laden has been dead now for some time. We ought to—to use a phrase of a former Senator from Vermont—we ought to declare victory and get out. But, again, we are doing it on a credit card.

So what do we say? We have two wars we should not be in, and we say: But we have to pay for it. We ought to take some money away from senior citizens. We ought to take money away from education. We ought to take money away from medical research. We ought to take money away from rebuilding what needs to be done in our country to pay for two wars we put on our credit card.

Come on. As one Vermonter said to me: You spend all this money to build these roads and bridges in Iraq and Afghanistan and then they blow them up.

Why don't you rebuild our roads and bridges in America? We Americans will take care of them.

So with all the talk of where we are, let's not forget the big elephant in the room; that is, two wars on a credit card—one going far longer than it had any reason to, the other one totally unnecessary in the first place—as much as a couple trillion dollars between the two of them. That was money that could have been spent in America for Americans to make America better. We have wasted it there. Now we say: How can we punish Americans—the average American. How can we punish them for the mistakes we made in going into two wars. We will punish them to pay for it.

Come on. Let's face up to reality.

I suspect I may have more to say on this in the future.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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, we are at the last hour, if you will, the last day for sure, in dealing with what has become probably the biggest fiscal crisis our country has dealt with in some time. I have heard a number of my colleagues from the other side come down and talk about the importance of getting a solution. We all want to get a solution. We do not want to have a situation tomorrow where tax rates go up on everybody across this country who has an income tax liability. We obviously do not want to see our defense have to deal with what would be deep cuts in our national security budget. Those are two things that will happen tomorrow unless Congress can act to prevent that.

So count me among those who want to see a solution. I certainly hope the negotiations that are occurring right now can conclude in a way that will give us an outcome that prevents those tax rates from increasing on Americans across this country and also put in place some things that would actually deal with the real problem. The real problem is our country spends too much.

We are where we are because we have not done our work when we should have previously. Think about the fact that for 3 consecutive years—3 years in a row—in the Senate, we have not passed a budget. We spend $3.5 trillion of American taxpayer money every single year, and for 3 consecutive years we have not had a budget. The majority leader and the chairman of the Budget Committee and others on the other side have said: We passed a budget control act in August of 2011 and that sort of serves as our budget.

Frankly, that is not the case. The law requires us to pass a budget. We have a budget act, enacted back in the 1970s, that requires the Congress, on an annual basis, to lay out a plan for how we are going to spend the American taxpayers' money. The reason we ended up with a budget control act back in August of 2011 is because we failed to pass a budget earlier in the year.

For 3 consecutive years in the Senate we have not passed a budget. That is not to say our colleagues on the other side of the Capitol—the House of Representatives—have not acted responsibly. You may disagree with how they did it, but at least they did it. They passed a budget. The Senate, of course, has not for now 3 consecutive years.

So we went through this entire year. Everybody knew this was coming. This is not a surprise. This is the most forecast and foretold disaster we have ever seen. As we approached December 31 and the deadline we are dealing with today, we knew that starting January 1 taxes were going to go up on all Americans, at least all Americans who have an income tax liability, and we knew these cuts that were put in place in the Budget Control Act in August of 2011 were going to occur.

There should not be any element of surprise. We have known about this for a long time. Yet for month after month after month after month this year, nothing was done about it. I say nothing in the Senate; again, the House of Representatives, early this year—last summer—passed legislation that would extend the tax rates for everybody for 1 year. They passed legislation that would replace the across-the-board cuts that will start to take effect on January 2 with responsible spending reductions that actually do something to bend the curve of all these runaway programs, entitlement costs that are going to bankrupt this country in future years. They made some necessary reforms. Again, people may not agree with them. Obviously, there should be a process where in the Senate we have an opportunity to vote on a budget and make amendments. Perhaps we would do it a different way. I might have voted for something entirely different. But the point is, I did not have anything to vote for. Nobody over here did.

We have been here for a whole year, and now we have people coming up and saying: Gee, I hope, I truly wish these negotiations will get us to an outcome. It is December 31. January 1 is tomorrow. It will be 2013. Taxes will go up. Everybody agrees it will be a disaster for the economy. We cannot allow that to happen. It will ruin the economy.

Where were we? Where were we for the past month and the month before that and the month before that, dealing with what we knew was going to be this very set of circumstances we face today?

I find it very hard to sit and listen to people come up now and wring their hands and talk about: Gee whiz, I hope we can get something done in the last day—as we put two people together basically to resolve this.

There was a discussion—in fact, everybody says: Well, you know, the people who are getting together—it was the President and the Speaker at one time; it was Senator MCCONNELL and Senator REID at one time; now it is Senator MCCONNELL and Vice President BIDEN—but up until Friday, Senator MCCONNELL, the Republican leader, had not been consulted, had not been advised, had not been involved in any of this. So he gets the call at the last minute to try and come in and sort of rescue this, starts a negotiation that goes over the weekend, and then Saturday night makes a proposal to the Senate Democrats, and was told: We will react to your proposal by 10 o'clock Sunday morning. Ten o'clock Sunday morning passes, 11 o'clock, noon, 1 o'clock, 2 o'clock. He comes to the floor and says: We have not heard back. Then the majority leader comes up and says: Look, we do not have a counteroffer. We do not have a proposal.

So Senator MCCONNELL then gets on the phone with Vice President BIDEN, and that is now where those discussions are occurring. They are occurring between Vice President BIDEN and Senator MCCONNELL.

But my point is this: There are two people in a room deciding incredibly consequential issues for this country, while 99 other Senators and 435 Members of the House of Representatives—elected by their constituencies to come to Washington and to represent them—are on the sidelines.

Why didn't we have a bill on the floor of the Senate we could actually debate? Why didn't we put something out here under regular order, open it, allow Senators to offer amendments, allow them to have amendments voted on? I might not have liked that outcome. Maybe I would not have. Maybe I could not have voted for the final product. But at least we would have had an opportunity to debate this, instead of waiting now until the eleventh hour, where two people are gathered in a private room, trying to negotiate something that has enormous consequences for this country and for our economy.

We are where we are because this process was grossly mismanaged up until this point. So now we are faced with a crisis. There is great drama. If we listen to all the TV stations—at least those that cover what is going on here—they are all talking about the fiscal cliff. Instead of a countdown to the new year, we have a countdown to when we hit the fiscal cliff.

What does that say? It is the most predictable financial crisis we have ever known about. We have known about it for months. We have known about it since the temporary tax provisions were put in place 2 years ago. Yet here we are in the eleventh hour on the final day trying to negotiate with two people in a room making decisions that will have a profound impact on the future of this country.

I have to say that as I think about those negotiations that are going on,

most of what is being talked about is who will pay more in taxes. It is not a question of if, it is who is going to pay more in taxes. The ironic thing about it is that in those discussions—at least to my knowledge of them—there is very little being discussed, if anything, that deals with how this country is going to figure out a way to spend less, which is the problem.

OK, I mean, let's face it, Washington, DC, does not have a taxing problem, we have a spending problem. Now, Republicans have said and we are willing to consider, contemplate this idea of having more revenues in the equation. Granted, the President won an election and there is a majority of Democrats here in the Senate. That is their view. Obviously, we have a Republican House of Representatives that has a different point of view about how to solve this and is trying to do it by extending the rates for everybody so that nobody has their rates go up in the middle of a weak economy. There is a big difference of opinion about how to resolve this.

But I would argue to my colleagues on both sides that if what comes out of these discussions is something that raises additional revenue, that raises taxes on people in this country, it will not do anything to solve the problem. In fact, if you give the President of the United States everything he wants in terms of tax increases, you will raise enough revenue next year to fund the Federal Government for less than a single week. So what do we do for the other 358 days of the year? A single week—that is what all of these tax increases would amount to in terms of additional revenue.

This is not a revenue problem. This is a spending problem that can only be solved by having the political courage to confront the challenges that face this country, not just in the near term but in the long term, and get us on a sustainable fiscal path. That means we have to confront runaway spending and programs that, if not reformed, are going to bankrupt this country and saddle our children and grandchildren with an unbelievable burden of debt and a lower standard, a lower quality of life than anything we or any previous generation—well, not any previous generation but certainly our generation has experienced.

That is where we are today. We are talking about how much taxes are going to go up. And those taxes are going to hit people who create jobs. If you use the $250,000 level, there are about 1 million small businesses that will be impacted by these tax increases, and they employ 25 percent of the American workforce. So we have a lot of middle-class Americans whose jobs depend on the very small businesses that are going to see their taxes go up. This will impact middle-income, middle-class families in this country if taxes go up on small businesses.

If that level is raised to $400,000, it will affect fewer, obviously. If it is raised to 500,000, it will affect even fewer small businesses. But the point simply is this: You are hitting literally hundreds of thousands of small businesses that create millions of jobs for middle-class Americans with new taxes they will be paying, and that can't do anything but hurt the very economy we all say we want to get back on its feet.

So we are talking about tax increases at a time we ought to be talking about spending. Why do I say that? Well, if we go back to 2007, before the recession, the revenues coming into the Federal Government were about $2½ trillion give or take, round numbers, about $2½ trillion. Well, this year revenues coming into the Federal Government are going to be back to about $2½ trillion.

We went through a terrible recession. People call it the great recession. It had a profound impact on the economy—obviously a lot less economic growth, and a recession leads to lower government revenues. So we had a period where government revenues dropped. Well, government revenues are now back to where they were in 2007.

Spending in 2007 was about $2.7 trillion. Today it is more than $3½ trillion. So spending has increased by almost $1 trillion—almost $1 trillion in the last 5 years, at a time when the revenues have stayed relatively flat. But the point simply is this: The reason we are running a trillion-dollar deficit this year and the year after that and the year after that is because the spending of the Federal Government has exploded in the last 5 years. So this is not a revenue problem. The revenues are essentially the same as they were 5 years ago.

Arguably, people would say that if we have a growing economy, we ought to get more revenue. And we would if we had a growing economy. The goal ought to be to get the economy growing again in a more robust fashion so that we are generating additional revenues coming into the Federal Government that would make these problems, the dimensions of those problems look smaller by comparison. That is why policies that hurt the economy, that slow economic growth—and everybody concludes that raising taxes in the middle of a weak economy is a bad idea if you are interested in generating more economic growth and creating jobs. That, to me, seems to be just intuitive. I think everybody would agree with that, but certainly it is a well-known, documented fact among economists that if you raise taxes, you are going to have lower economic growth, you are going to reduce the rate at which the economy grows and expands and therefore allows for job creation in this country.

The best thing we can go to is to get the economy growing and expanding again, and then all of these problems look much smaller by comparison. That means having policies in place that allow small businesses to do what they do best, and that is to create jobs, that provide incentives to invest and to hire people. When you operate in a period of economic uncertainty like we have today with these uncertain tax rates, where you have tax rates that are going to go up, regulatory burdens that continue to go up, you constantly make it more expensive and more difficult for small businesses to create jobs. Creating jobs and growing the economy ought to be our goal. That is so counterintuitive, to think that raising taxes would somehow accomplish that goal.

So as we sit here on the last day before these tax rates go up, as we try to scramble now at the last minute to find a resolution, I would simply say and urge my colleagues that we not let this happen again, that we not be here next year or the year after waiting while two people sit in a room and try to cut a deal that most of us have not been privy to or consulted about.

The American people obviously are the ones who are ultimately impacted by that, but they have not had an opportunity to have a role in this, to observe what their elected leaders are doing to solve the big problems that face this country. We ought to be functioning the way the Senate used to function; that is, put bills on the floor, allow amendments to be offered and voted on, and then whatever that outcome is, ultimately the House of Representative will pass their version of it, perhaps we will have a conference committee, and hopefully we can get something we can put on the President's desk. That is the way it used to work.

But now we are sitting here because we have twiddled our thumbs for month after month after month in the Senate and not passed a budget, not dealt with this issue in any substantial or meaningful way, and now we are sitting here on New Year's Eve—on New Year's Eve. The countdown on the television is not how many hours and minutes are left until we hit the new year, the countdown on the television is the number of hours and minutes that are left until the country goes over the fiscal cliff.

Think about what that says about this process, about the Senate—100 people elected to make big decisions to advance the interests of and put this country on a better path to a better future that is more secure, more safe, and more prosperous for our children and grandchildren. That is what should happen, but it should have happened months ago.

So I hope we get a result here today that addresses some of these issues—certainly, hopefully, something that will address the tax issue. But that does not solve the problem. If the President gets everything he wants in new taxes, it will fund the government for less than a week. This is not a revenue problem. Washington does not tax people too little, it spends too much. Until we recognize that and deal with

what is driving Federal spending, we are going to continue to saddle future generations with more debt, with more liabilities, and with a lower standard of living and lower quality of life than we have experienced. That is not fair to them.

It is time for us to demonstrate the political courage that is necessary to take on the big issues and to have the votes. Let's have a budget. Let's put it on the floor. Let's vote on it. Let's do something around here that matters, that is meaningful to the future of this country, rather than wait until the last day and the last hour and allow two people to sit in a room and decide the fate and the future of this great country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. PAUL. Mr. President, some of you may have heard that there is something called the fiscal cliff approaching and that we must do something about it or we will go over that cliff. But if you want to fix and do something about going over a cliff, you have to know what is the fiscal cliff. Well, the fiscal cliff, apparently, is taxes going up. So it must be a bad thing if your taxes go up.

People have said: Well, it is kind of like having people drowning. And people are drowning. What does that mean? That is a bad thing. Taxes going up is a bad thing. So what are they telling us? Let's save 98 out of 100 of them. Well, that sounds pretty good. I am for saving as many as we can. But that sort of implies that our policy is that drowning is a good thing; that we are going to let 2 percent drown; that raising taxes is bad if it happens to everyone—it is a cliff—but it is OK if it only happens to one or two people, and maybe you do not know them, and maybe they are rich people and we don't care.

Does anybody work for rich people? Does anybody know somebody who works at a car lot selling expensive cars but that person only makes $40,000 a year but he sells cars that are purchased by rich people? Does anybody remember the yacht tax? We were going to go get those rich people—had a special tax on yachts. Guess who lost their jobs. The working guy making $50,000 and $60,000 a year, because the rich people went to the Bahamas to buy their yachts. This is not about getting rich people. This is about what it will do to the economy, what it is going to do to the average middle-class person who works for a rich person.

But you have to understand what the fiscal cliff is. You have to understand that the President is telling you that it is a cliff and it is bad, and everybody on television thinks it is terrible to go over the cliff. What is the cliff? Taxes going up. But if it is bad for taxes to go up for a bunch of people, why it is good for taxes to go up on a small portion of people?

You say: Well they are rich. They can afford it.

Here is the problem. The rich pay most of the taxes in our country. The top 2 percent pay half of the taxes. What you are saying is that they are rich and they can afford it. But that is half of the Nation's income that will have increased taxes. You will take money from the productive sector, which is the private sector, and you will put it into the nonproductive sector, which is Washington.

So if you want ditches to be dug and then to be filled again, send more money to Washington. But if you want jobs to be created, if you want the economy to thrive, you should want to leave that money in your community. It should not matter to you whose money it is or who has it, you want that money—in my case, we want that money in Kentucky. We do not want to send it to Washington because there is no objective evidence that the money is well spent up here. There is no objective evidence that we are good with money up here. We should not send more money up here. We should leave more money in the private sector.

Now, Milton Friedman recognized this when he said: Nobody spends someone else's money as wisely as you spend your own. That in a nutshell, that in one sentence explains to you why the private sector is more efficient than the public sector. The public sector—it is not our money. So those of us up here who will spend it—that is why they spend $1 trillion more than they have each year. That is why they break their own budgetary rules. That is why there is no budget. That is why we live in an era of runaway spending. That is why your government is insolvent, your government is bankrupt.

Guess what. When you raise taxes on 2 percent of the people, there is a chance you will not get any more tax revenue because when you raise tax rates, you sometimes get less revenue. And the converse is true—sometimes you lower rates and you actually get more revenue. In the 1920s we lowered tax rates, and we got more revenue. Guess what. The rich paid a higher percentage of the revenue when we lowered rates.

We did it again in the 1960s under Kennedy. We did it again under Reagan. We grew at 7 percent one year under Reagan because we lowered rates and we unleashed an economic boom. That is what we want.

Do we want a government that is just envious, jealous, and wants to punish people or do we want a government that has sane and rational policies that will allow the economy to grow? That is what happened in the 1980s. We had 7 percent growth one year. We had millions of jobs created.

Mark my words. You will raise tax rates, and you will feel good because you went after and got those rich people because you said you were. You campaigned against rich people, you have enough envy whipped up in the country, you are going to get them, and you are going to stick it to those rich people. But guess what. You may not get any more revenue, you may not get any more economic growth, but you can say: I stuck it to the rich people.

That is what we are talking about. Some of you may say, well, we are going to do this, but maybe we will do something about spending at the same time. The one thing they are taking off the table is spending restraint. There will be no spending restraint. In fact, whatever deal comes out of here will increase spending. That is part of the deal. We are going to raise taxes, and we are going to raise spending. Tell me what is good about that.

There is a cliff approaching. It is not the cliff we hear about on TV. The cliff is a debt cliff. There is a debt crisis in our country. We now have a debt that equals our GDP. Our debt equals our economy. We are borrowing—while we are today dithering over a deal that will do nothing—we will borrow $4 billion today. We are borrowing $50,000 every second. Each man, woman, and child in this country owes more per capita in debt than they do in Greece.

So, by all means, let's complete a deal today so we can go home. Let's complete a deal. Let's raise taxes. Let's stick it to those rich people. Let's not touch spending, and let's pretend as if we have done something. The deal will do absolutely nothing to save this country.

Two-thirds of our spending is entitlements. The President has taken entitlements off the table. We will not reform the entitlement programs. Why are the entitlement programs broken? Is it Republicans' fault or Democrats' fault? No, it is your great-grandparents' fault. They had too many kids. It has nothing to do with partisan politics. There were a whole bunch of babies born after the war, and then there have been less babies born with each generation. It is nobody's fault, but it is not working. We spend more on Social Security than comes in in taxes. That is a problem.

On Medicare, it is even worse. We spend $3 for every dollar we collect in Medicare. Does anybody think that is going to work? It has been going on for a long time now and it is getting worse. We owe $35 to $40 trillion on Medicare, and it is not getting any better.

So what do the retirement groups say? AARP says: Absolutely, don't touch it. Oh, that is great. That is part of the solution. Don't touch it.

What does the President say? Entitlements are off the table.

What does the majority leader say? We will not do anything about entitlements. Oh, well, great. This is going to be a real great solution. We are really going to do a lot—but we are going to stick it to rich people.

I hope nobody works for any of these rich people. I hope nobody sells any of this stuff to rich people.

So the thing is, look at what is going on up here, and when you ask for action, don't ask for any action. We have

to figure out what the problem is before we can get to what we need to do.

People say, well, we have raised taxes; we just need more revenue. Spending, as measured as a percentage of the economy, 4 years ago we were spending 20 percent of our GDP. We are now spending 25 percent of our GDP. When we say on our side that it is a spending problem, it absolutely is, it absolutely is, and it is out of control.

Guess what. Most of it is called mandatory spending. That means entitlements. We can't do anything about it. They are now taken off the table.

Now, about a year ago, you may remember there was this big debate, the Budget Control Act. There was a big debate over raising the debt ceiling, and they attached to it some slowdown in spending. Now, these were not cuts; the sequester is not a cut in spending. It is repeated all the time on TV that the sequester is a cut, but it is not a cut; it is a slowdown in the rate of growth. But it is at least going in the right direction.

So what is the one thing we hear now that is going to be part of this deal? We are going to get rid of the sequester. So the one even pretend, make-believe attempt to try to slow down spending, they are going to jettison it. They are going to kick the can down the road—but we are going to get those rich people. We are going to attack those rich people.

We have to wake up soon as a country. We are literally insolvent. Some say, well, we are a great and powerful country. Bad things could never happen to us. It can, and it has happened to great civilized countries. Do you know what they do. Great and civilized countries can destroy their currency. We have printed trillions upon trillions of dollars, and we are in danger of destroying the very value of our currency.

So instead of having a President who runs around saying he is going to stick it to rich people, what we really need are honest people to go around the country and say to people: If you are working class or you are retired, the government is stealing from you. The government is stealing your savings through big government. On the one hand, they offer you something. They offer you baubles. They offer you something for free: Here is a cell phone. Just take the cell phone and vote for me. It will be OK.

The problem is, it is not free. On the one hand, you get the free cell phone. On the other hand, you get $4 gas. On the other hand, you get food costs rising.

Why do prices go up? Because we run a deficit giving you free stuff, and then we print money to pay for it, and that steals value from what you have. It is not that gas is more precious; gas is rising because the value of the dollar is shrinking. Food is rising because the value of the dollar is shrinking.

So big government isn't your friend, and deficits are not your friend. We hang in the balance up here and nobody is serious about it.

What is the one thing that has been taken off the table? Spending. We will not cut any spending. So we are looking for a deal that will raise taxes, which everybody seems to equate with drowning—except we are only going to make a few people drown, and they are rich anyway. But I think drowning is a policy. Drowning, even if it is selective drowning, being in favor of selective drowning is not a good policy.

What I have said and what I tell people is let your representatives know. Let your Senators know that you would rather have some kind of serious fix to the problem rather than kicking the can down the road; that you would rather have them actually do something that would allow the economy to grow, would allow jobs to be created, and, as a consequence, government would bring in more revenue.

The only thing proven to ever bring in more revenue is economic growth. What is going on right now? We are growing at a little under 2 percent. When the President, 2 years ago, extended all the tax rates and chose not to raise tax rates, we were growing faster. He said we don't want to rock the economy, and he agreed to extend all tax breaks. But now I think he is hell bent on raising taxes.

Realize that what you are going to get is raising taxes, more money taken out of the private sector and given to the government, the inefficient sector. Don't count on that new money coming in going to make the debt smaller; count on it funding more programs.

You will notice, if you look carefully at whatever this fiscal cliff deal is, there will not be spending cuts, but there will be spending proposals. So we are going to try to tax rich people more and get more money. It may not work because often you raise rates and get less revenue. We are going to try that, but we take the money that we get from rich people, and we are going to immediately spend it on more foolhardy programs, which is what we have been doing up here. We are not going to fix the problem, we are going to perpetuate the problem.

What I would argue for is we should be doing the opposite. We, the Republican Party, the party of limited government and low taxation, should have no part in this. We should have no fingerprints on this, and we should in no way support anything that raises taxes because it is bad economic policy.

So I, for one, will not support any proposal that comes out that does not cut spending and raises taxes.

Mr. President, I yield the remainder of my time, and I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

EXTENSION OF MORNING BUSINESS

Mr. KERRY. Mr. President, I ask unanimous consent that the period for morning business for debate only be extended until 2 p.m., with Senators permitted to speak for up to 10 minutes each.

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

Mr. KERRY. 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. NELSON of Florida. 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. NELSON of Florida. Mr. President, the hour is nigh. Now Washington is awash in the rumor that there might be some progress being made. I hope so. If there was anything that was made clear to this Senator in the reelection in one of the biggest States in the Union, it was that the people want us to come together and to stop this bickering, the excessive ideological rigidity, and the excessive partisanship. That is a huge turnoff because ideological rigidity and excessive partisanship are impediments to getting people to come together with commonsense decisions for solutions.

Obviously, there is an easy way. Hopefully that is what is being tweaked at the moment in a final solution, with the President to speak in about 30 minutes. I hope so.

Mr. President, I am going to leave you with this thought. My colleagues know that a little over a quarter century ago, I had the privilege of seeing our home planet from the perspective of looking through the window of a spacecraft. It was the 24th flight of the space shuttle. It was early in the space shuttle program. It is indelibly etched in my mind's eye, as I looked back at Earth, what I saw. I did not see political divisions. I did not see religious divisions. I did not see ethnic divisions. What I saw is that we were all in this together, all a part of planet Earth. If we could remember that in our politics, we would all get along so much better. I hope that stays indelibly etched in my mind's eye and that we ultimately prevail in this momentous decision of avoiding the fiscal cliff.

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

The PRESIDING OFFICER (Mrs. HAGAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Texas.

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

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

Mrs. HUTCHISON. Madam President, there is a lot of buzzing going on around the Capitol today. Here we are on New Year's Eve, and so many of us had hoped we would have an agreement that would be really a big agreement, a long-term agreement that we would have liked to have had finished maybe by September, certainly by October, but that was not to be. In fact, as we saw in the elections of this year, our country is divided and our House here is divided as well. So it has been hard to come to terms.

It has been said that democracy is the worst form of government, except for all the rest, because when we have opinions, when we have free speech, when we have elections that put a Democratic majority in the Senate and a Republican majority in the House, we know there is not going to be a clear and precise path. But in the end, it is the best because we have all expressed our opinions and everyone has been heard.

We have had countless meetings in the last few weeks trying to see where people could give and where they couldn't. I have said from the beginning that I am optimistic because I think our democracy will work in the end. From what I am hearing from the different leaders, we are close to an agreement. We are not there, but it is a starting point and certainly a point at which there is already some agreement.

It may not seem as though it should be so hard, but once we do have the framework of an agreement, there are a lot of decisions that have to be made. We have to talk among Senate Democrats and Republicans, and then we have to go to the House and talk to Republicans and Democrats. I think one thing that is clear is there has to be a substantial number of votes on both sides of the aisle and both sides of the Rotunda. We will not pass something with all Democratic votes or all Republican votes because it will not pass in the other House. So I think there is a lot of refining of what is a pretty good agreement in the making, but the refining has not yet been finished. I have abiding hope that we will get there.

TIME TO REFLECT

Since this may possibly be my last day as a U.S. Senator—at least my last time to vote. Up until January 2, I am a U.S. Senator, but actually being able to participate at this late date has given me some time to reflect. I so appreciate some of the major communications and opportunities I have had with the real people in my home State of Texas and beyond. I always think of the many times I have been able to meet with our troops in harm's way.

In the early years of my tenure in the Senate, our troops were in harm's way in Bosnia, where there were many conflicts, and I got to visit with them and see what their concerns were and what was on their minds, and then into Iraq and then into Afghanistan. I have visited all of these places and had the chance to talk to our troops. What a person comes away with when they have that opportunity is the understanding that America is in good hands with our younger generation. They have such a great spirit.

I went to the Brooke Army Medical Center Hospital in San Antonio and visited with a young man who had lost both legs in an IED explosion. He had been able to get used to that situation for maybe 2 weeks. So it is reasonable to say he had had the shock of his life. So I went into his room, and there is his wife and his little daughter, who was about the same age as my daughter, sitting there with him.

He says to me: Senator, they won't let me go back, and that is where I want to be.

Then his darling wife pipes up and says: You know what, they took half of you and they are not getting the other half.

Now, if that isn't a story, for both of them to have such a spirit. I was so touched by that.

Just in the last month or so, I was back in San Antonio visiting the wonderful Center for the Intrepid they have for the wounded warriors and their families. It is a recreation center, and it is a place where they can go and cook food and have family meetings. They can play games, and they have extensive learning opportunities with computer rooms. It is a wonderful center they have put together, the people of San Antonio.

This was all spearheaded by a wounded warrior who had been cooped up in a room and wanted to have some ability to get outside the room with his family and have some experiences even though he was still going through treatment. He started raising money, and he raised it from the community and from many other wounded warriors, as well as military personnel, but a lot of the citizens of San Antonio and Texas stepped forward. So this is a wonderful place.

I met a wonderful young man who lost his arm and parts of two of his legs. He was a West Point graduate. He was sitting there, again with his beautiful wife, and I was visiting with him.

He said: I just want to be able to continue to contribute.

And I thought, oh my goodness, here is a West Point graduate who has so much to give and who wants to continue to give. So I came back and I wrote a letter to General Odierno, the Chief of Staff of the Army, and I told him about the young man who lost most of three limbs out of four and who wants to keep contributing. What about making him a military fellow, as we have in our offices, as the Presiding Officer knows? We have military fellows who are Active-Duty military, and they help us. We can have one a year. They help us by providing the military perspective on the things we are doing. Of course, because I have served on the Defense Subcommittee and the Military Construction Subcommittee of Appropriations and the Veterans' Affairs Committee, I love to have those military fellows.

I was so pleased that within just a month or so, when the choices were made for military fellows, this young man was chosen by the Army with the support of General Odierno, whose own son also has lost an arm in combat.

So I think that is a wonderful thing and that on reflection is one of the highlights of my moments to remember.

I also remember some of the great things my staff has done. I have to say, my staff has been the can-do staff of all time. They never take no for an answer. So when we have challenges, individuals who need help—it may be a veterans' benefit; it may be a Social Security problem—they have always had the reputation as the staff who tries to do everything possible to come through.

I am very pleased the Senator who is going to take my place on January 3 is going to have my staff director for case work, Joyce Sibley—who has had such a great reputation—continue in that position. She knows the issues. She knows the people. She will be great. I applaud Senator-elect TED CRUZ for making that decision and for keeping most of the staff who have done this wonderful work.

But let me give a couple examples. First of all, we got a frantic call from a friend of mine about a doctor who was trapped on top of Mount Everest. He was a Dallas doctor, and he was trapped up there in a blizzard and not expected to live. They had a terrible loss of some of the people in their climbing group, and a friend called and said: Is there anything you can do?

My wonderful staff, one of whom is retired military and knows so many of the things that could be done, Dave Davis, and Carolyn Kobey, who handles this casework in my Dallas office. Carolyn actually got in touch with the Nepalese Armed Forces and as a result of Carolyn's efforts, they were able to get a helicopter up. Once you get past a certain level—13,000 feet—you have to have oxygen in a helicopter or, obviously, if you are climbing.

So it was something that was a real ask of the Nepalese Air Force and we were able to get them to take that risk and to go up and they were able to rescue Dr. Beck Weathers. He is alive and wrote a great book about that experience from his vantage point. But we were very pleased to be able to take part in something such as that.

I will tell you, maybe the all time great experience was in my Houston office, led by Jason Fuller. We got a call in the Dallas office, and so the Houston and Dallas offices together did this. We got a call in the Dallas office from a woman in Mississippi. She said: I didn't know who else to call, but I knew Senator HUTCHISON's name. My son is having an asthma attack in Houston, and

I don't know how to get him the help he needs. He is in his apartment by himself.

My staff said: Please give us the information. We will call our Houston office, and we will see if we can get help, which they did. They called the Houston office. The Houston office called 9–1-1. They went out to the young man's apartment. He was, in fact, in a dire circumstance and would have died had he not gotten help right away. But they took him in. They gave him the help he needed, and that young man is alive today.

So these instances are some of the great memories I will have of having a wonderful staff who will go the extra mile and try to help the individuals in our State as well as on the big issues where we also try to make sure we do everything we can to get something that is very important to us, whether it is to America or to Texas or to Texans or to Americans.

These are some of the memories I will take with me as I leave this great body. As I said in my actual formal farewell speech, it is easy to be critical. I saw on television this morning that the esteem of Congress has fallen to 5 percent favorable. I am not surprised at that. As my colleague JOHN MCCAIN once said: Now we are down to blood relatives and paid staff. It is easy to criticize, and there are a lot of reasons to criticize. I will admit things have not been as productive and most certainly the acrimony does show sometimes.

But I am going to say, as I leave, after almost 20 years in this body, the people here are all dedicated. There is not one who is not a dedicated patriotic American. We disagree, sometimes violently disagree, on the way we should get to our goals. But our agreement is on the goal of keeping America the beacon of freedom to the world, to keeping our military strong, to doing right by all our people, whether it is a small businessperson who is creating jobs who is trying to go up the ladder of success or whether it is someone who is in trouble because they have had a huge setback in their lives. Everyone here wants America to continue to be the magnet for the world. We want to be the science and technology innovators who will continue to fuel our economy. It is just how we get there that causes the disagreement.

We have patriotic people who have been elected. I hope for the next 2 years we will put aside the partisan politics, put aside the thoughts of future elections, and try to solve the big issues of our time, because there is a lot of intelligence in this body. There is a lot of ability to come together. I keep the abiding faith that our messy democracy will, in fact, prevail because I cannot think of going to anything else. As long as we can function and show the world we can govern, as we disagree, that will be the example that will forever make our country the best and, hopefully, be a model for others to not think you have to take to the streets, not think you need guns to have the government you want but to show that peaceful transition can be done and also that we can have a lot of discussion, a lot of disagreements, but we can do it civilly.

I leave this body knowing if we just remember the honor we have of growing up in the greatest Nation on Earth, we will recognize that it is our responsibility to give the same to our children and grandchildren. It is the least we can do.

Thank you. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF MORNING BUSINESS

Mr. BROWN of Ohio. Madam President, I ask unanimous consent the period for morning business for debate only be extended until 3 p.m., with Senators permitted to speak for up to 10 minutes each.

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

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

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

Mr. CORKER. Madam President, I just listened to the President, and my heart is still pounding. I was very disappointed to hear what the President just had to say in front of a pep rally—something very unbecoming of where we are at this moment.

It is my understanding that most of the tax issues have been worked out—should have been worked out on the floor in regular order. I think most of the Senate is very distressed that we are in a situation where the negotiations are taking place all of this time and it is not being done through regular order, but that is the way things are today in the Senate.

But I just heard the President say that in dealing with the sequester that was put in place to reduce spending—it was part of a $2.1 trillion package to reduce spending so that we could raise the debt ceiling back in August of 2011. No one ever thought we would end up in this place where the sequester would be enacted, but it was done so that we would reduce spending.

I notice my friend from Arizona is here. He has been one of the best there is to focus on defense spending and how it should be done, and I know he would like to see things happen in a very different way in that regard.

But I just heard the President say that the way we are going to deal with this sequester is in a balanced way, through revenues and through reduced spending. I just want to go on record here on the Senate floor—I know there are negotiations that are taking place, but the sequester was to be dealt with and substituted with other spending reductions, not through revenues. I hope all those who are involved in bringing this together understand that even on the Democratic side, that was the understanding. Not only was it to be dealt with through spending reductions if these were considered to be ham-handed—and they are, and we should deal with them in a different way—but they were to be dealt with in the same time period. In other words, we weren't going to reduce $100 billion of the sequester and pay for it over 10 years; it was to be done during the same amount of time.

So I know the President has fun heckling Congress. I think he lost probably numbers of votes with what he did. He didn't lose mine; I am not that way; I am going to look at the substance. But it is unfortunate that he doesn't spend as much time working on solving problems as he does on campaigns and pep rallies.

But I just want to say that I am very disappointed in what the President had to say, and I am one Senator. I just want to go on record that it is absolutely unacceptable to pay for the sequester with revenues.

Yesterday we had a meeting that broke down because all the money was being spent. The President campaigned for a year on raising taxes on the upper income. We have acquiesced to that. We know it is going to happen. But yesterday the deal was that all the money was going to be spent. There was going to be no deficit reduction. It is unbelievable—unbelievable that all of the money was going to be out the door as soon as it came in. As a matter of fact, before it came in, it was going to be spent.

I just want to say that I know the President enjoys heckling and having pep rallies to try to get Congress to act instead of sitting down and actually negotiating, but I hope that is what is going to happen, is we will end up following through on the reductions in spending that need to take place to replace the sequester.

I will also add just for what it is worth that the last time we extended unemployment insurance, we paid for it. The last time we did not cause the doc fix, the SGR, to go into place, we paid for it. And I hope that as this negotiation goes forward, we keep the same principles in place that we have had.

This country is over $16 trillion in debt. The sequester was put in place because we couldn't reach an agreement on reductions, but we knew they

had to take place. Mr. President, I hope we will continue to honor the fact that the sequester—the $1.2 trillion that we don't like the way it is being implemented—will only be adjusted through other reductions. If that is not the case, count me out. I think most people in this body consider me to be a semireasonable person, but if that is not what we do, count me out.

This country has a spending problem and a revenue problem, I agree with that. I am willing to support revenues to deal with this problem, the overall problem. But what I will not agree to is using revenues to replace spending reductions that were part of the Budget Control Act; that, candidly, we need further reductions in place to totally get this country where it needs to be.

With that, I know we have other Senators on the floor. I don't know what their response is to what just happened at the White House.

Mr. President, I yield the floor.

Mr. MCCAIN. Mr. President I ask unanimous consent that I be allowed to follow Senator MIKULSKI.

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

The Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise to speak as to what is going on here today as the new chair of the Senate full Committee on Appropriations. That means we are the committee that actually puts money in the Federal checkbook. I would like to talk about that because, you see, today here we are on New Year's Eve doing what we should have done right after Labor Day.

We are behind the clock, and actually we are behind the thinking of the American people. They want us to come together and have sensible fiscal policies that promote growth and at the same time balance it with a new sense of frugality. The fact that we have come to this point with this culture of delay in this institution I think is really unacceptable. But I don't want to go into the culture of the institution, I want to go into actual discussions of something called sequester and spending.

The words of Washington are a foreign language. We use words that nobody understands, and we use numbers that nobody believes. I am telling you that with me, there is going to be a new day and a new way—plain talk, straight talk about what we are doing here.

So let's talk about the word ''sequester.'' Sequester literally means that you are going to—sequester stands for an arcane government word that means you are going to have automatic, across-the-board government spending cuts. These are supposed to be triggered if we don't resolve the issues today and will happen on January 2.

What is being proposed is that we would cut $110 billion in 2013—$55 billion in defense and $55 billion in nondefense. This means every single program—not programs that are dated, not programs that are bloated, not programs that might be for another era or only benefited a small group of people in a distant past, it means every single program. Yes, there will be certain exemptions to that in terms of Social Security benefits, veterans' benefits, and certain things related to the military.

Since we are already 3 months into the fiscal year, the impact of these cuts will even be worse. So when you hear that we are cutting deals on the sequester, we are actually talking about government spending.

Now let's talk about cuts. This is not the first time either party has talked about cuts, nor is it the first time either party has started to talk about a sense of frugality. One party, however, wants to also understand that we need to be able to meet the compelling needs that are in the mission of our government, and we have already given at the office.

So let's talk about, oh, this could be new spending, and I don't want this. The fact is that since 2010, not 2001—let's get our zeroes straight for a change—since 2010 we have already cut domestic spending by $43 billion. We have already cut $43 billion. That is nearly 10 percent of domestic spending in just 3 years. That $43 billion was in nondefense programs.

Then there is talk about, oh, why don't we have a budget? On August 2, 2011, we passed something called the Budget Control Act. That was deemed to be the budget of the United States of America. In that Budget Control Act, they instructed those of us on the Appropriations Committee to cut discretionary spending $1 trillion over the next 10 years. The Appropriations Committee will honor the instructions of the Budget Committee, as approved by the Congress of the United States. We are on the program. We are on the same page. We are on the same glidepath. We don't have to have showdowns here.

So we have already cut actual dollars—an actual checkbook—of $43 billion. That is a lot of money. Also, in the Budget Control Act, we are to cut $1 trillion over the next 10 years. That would meet what was being discussed in Simpson-Bowles and so on, so we need to understand that.

Now let's go to this across-the-board cut. I see on the Senate floor the distinguished Senator from Arizona, a well-known advocate for our national security, well versed over the years in the compelling needs our military must have to protect the Nation. I am sure he will speak to those needs, and I will also.

But I also want to speak about another dynamic, which is the impact of $55 billion across the board in discretionary spending. What I want to say is that if, in fact, we go ahead with this, we are going to cut defense, there is no doubt about it, $55 billion, and it is going to be a meat ax. That is not the way to go, that is not the way to treat our military, and that is not the way to focus on our national security.

Secretary Panetta, along with the generals, General Dempsey, the head of the Joint Chiefs, has gone through his own budget. He has recommendations where, out of the $66 billion of defense, how we could begin to have a prudent way where we could begin to have modest reductions in the DOD account without jeopardizing national security.

I serve on the Intelligence Committee. I served with the Senator from Arizona and other distinguished people. We are going to make sure we can do this in our own way, but sequestration could really affect a variety of things related to operations and maintenance.

Let me tell you what else there is. There are many other people who defend the United States of America, and I am proud of them all. These are things such as our Federal law enforcement. With our Federal law enforcement, if we go into this meat ax approach, over 7,500 positions—because it will come out of personnel—will be affected. This could affect as many as 3,000 Federal agents—3,000 Federal agents of the FBI, DEA, and ATF. They might not be laid off, but they are going to be furloughed. They are going to have short-term furloughs. This is going to have a direct impact on morale, a direct impact on mission, and it will have a direct impact on protecting the American people, whether it is from cyber threats, border control threats—all these things they do. The Federal Bureau of Investigation and the Drug Enforcement Agency are absolutely important.

Then the other area is in homeland security. We could reduce the mission hours at the Coast Guard by as much as 50 percent. Now, the Coast Guard is absolutely crucial when it comes to drug interdiction and also protecting our borders from our waterways.

You know, a lot of people love the Weather Channel. I love the Weather Channel too. If you watch what they do in Alaska, down in Florida, wherever they are, they are doing search and rescue and making sure drug dealers aren't using our waterways and byways to bring drugs into the country and just standing sentry and protecting the United States of America.

Again, we could talk about the border control, but then there is this whole issue of the center for health and human services. Whatever you feel about ObamaCare, that doesn't affect what goes on at the Centers for Disease Control. Right now, the Centers for Disease Control and the FDA are trying to make sure we have food safety and drug safety and are watching out to make sure there are no big outbreaks that spread.

All of us were horrified at the meningitis outbreak. We had a situation with a medical technician who went State to State—he was kind of a technician by hire—who spread terrible meningitis by injecting dirty needles into people who needed steroid injections because of their back.

So we need the FDA. We need the Centers for Disease Control. They are out there working to protect our American people. Remember, they are the ones who discovered Legionnaires' disease.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator's time has expired.

Ms. MIKULSKI. I have a commitment to the gentleman from Arizona, and I will honor that commitment both in speaking here and in dealing with these issues.

Mr. President, the point I am making is this across-the-board meat axe approach has very serious consequences. Let's use prudence and delay them, I would hope, for at least 1 year or 2 years and not a matter of weeks. But I am saying, and I promise, we do have methods for getting our spending under serious discipline.

I yield the floor, and I look forward to working with my colleagues.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I thank the Senator from Maryland as always for her usual courtesy, and I think she had a very important message. I appreciate not only the words themselves but her eloquence and passion.

Mr. President, I ask unanimous consent that the Senator from South Carolina be included in a colloquy during my remarks.

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

PRESIDENTIAL LEADERSHIP

Mr. McCAIN. Mr. President, I, as I believe all of us have, just finished watching the President's remarks at—I guess it was the Executive Office Building. I am not sure yet, as I sort out my impressions of the President's remarks, whether to be angry or to be saddened.

I have been around this town for a number of years, and as is well known, I had more than an academic interest in the Presidency. I have watched a lot of Presidents, going back to President Reagan, from the standpoint of being a Member of Congress, and I have seen these other crises as we have gone through them—whether it was the potential shutdown of the government when Newt Gingrich was Speaker of the House, or the crisis of the debt limit expiring, and a number of others. It is sometimes, unfortunately, the way we do business here.

But I must say, at a time of crisis, on New Year's Eve, when at midnight, at least, certain actions will take place or have to be planned to take place, today we had the President of the United States having a cheerleading, ridiculing-of-Republicans exercise in speaking to the people of the United States of America. As I have watched other Presidents address crises, the way they were able to address them and resolve them—with Presidential leadership, and that is why we elect Presidents, to lead—was by calling the leaders of both parties to the White House to sit around the table and do the negotiations and the discussions.

Sometimes concessions have to be made; compromises have to be made. But what did the President of the United States just do? He kind of made funny—he made a couple of jokes, laughed about how people are going to be here for New Year's Eve, and then sent a message of confrontation to the Republicans. I believe he said: If they think they are going to do that, then they have another thought coming.

I guess I have to wonder—and I think the American people have to wonder—whether the President wants this issue resolved or is it to his short-term political benefit for us to go over the cliff. I can assure the President of the United States that historians judge Presidents by their achievements.

Now, we all read the polls. We, Republicans, know what is in the polls; that is, the majority of the American people—50-some percent—support and approve of this President. We also see the approval ratings of Congress—10, 11, 12, 9, 15 percent, whatever it is. I haven't seen one that high lately. But historians judge Presidents by what happens on their watch, and this President just made comments which clearly—clearly—will antagonize Members of the House. We are a bicameral government. His comments will clearly antagonize them, and once we get an agreement—and I appreciate that negotiations have been going on in the Senate between the majority leader and the Republican leader—whatever is done and whatever is agreed to has to be ratified by the House of Representatives, men and women who were elected on promising their constituents they wouldn't raise taxes.

Now, whether they should have made that commitment or not, whether that was the right thing to do, the fact is that is what they said. So the President basically, in his talk to whatever group of people he was talking to—who were laughing and cheering and applauding as we are on the brink of this collapse, of the incredible problem this creates for men and women all over, all of our citizens—said to the Republicans on both sides of the aisle, but particularly the House of Representatives: Take it or leave it. That is not the way Presidents should lead. These are draconian effects.

Now, whether we should be at this cliff is a discussion for scholars in years to come, but we are where we are. Frantic discussions are going on. They went on into the middle of the night last night. So what is the President of the United States doing? In the middle of this, as, hopefully, they were reaching an agreement—and I understand there was only one major issue remaining—he comes out and calls people together and has a group standing behind him while he laughs and jokes and ridicules Republicans. Why? Why would the President of the United States want to do that?

I want to say a word about sequestration. Now, sequestration is about to kick in. The Pentagon and our Defense Department are like a giant oil tanker. We have to turn it around in a very difficult and slow manner because they have to make plans, and they have to have contingencies. They have to have procurement of weapons, and we have to do all the things that are necessary to make sure our men and women who are serving in the military are the best trained, the best equipped, and most professional in the world—and they are. But when we look at sequestration, the Secretary of Defense says it will decimate our ability to defend this Nation.

Shouldn't the President be concerned about that, about what his own Secretary of Defense is saying and what his own selection of Chairman of the Joint Chiefs of Staff is saying? Instead, he kind of jokes around and tells people they are going to be here for New Year's Eve. That is not the way to lead this Nation.

So I come to the floor and say to my colleagues, we need to get this done. We all know we need to get this done. If we go over the cliff, we are going to disappoint the people we are elected to represent, and we will disappoint them mightily, as we already have. But I also say it is the time for Presidential leadership. It is time to stop the cheerleading; it is time to stop the campaigning. The President won. We all know that. He won fair and square. Isn't it now time to govern? Isn't the best way to govern to sit down with people from the other party and from both Houses and say this is an issue we must resolve for the good of the American people?

So I hope, again, the President will spend some time with the leaders of both parties in the Oval Office sitting down and ironing this out before the people of this country pay a very heavy price.

Now, my friend from South Carolina was around when we almost went over the cliff the last time, as we were about to shut down the government, and there were all kinds of consequences. But we pulled back from the brink, after almost going over it, and it was the most serious of all these that I have seen. I guess I would ask him, is it not true, in our experience, that Presidents, whether they be Republican or Democrat, no matter what party or affiliation, going back to the famous Ronald Reagan and Tip O'Neill relationship, where they sat down together and they saved Social Security for about 25 years—and it was tough medicine, but they did it together. The President of the United States basically dismissed Social Security and Medicare from his list of priorities.

As my friend from Tennessee pointed out, we have a $16 trillion debt. For us to say we are not going to do anything about spending when we all know that spending is the biggest problem we have in this agreement—again, that is

throwing kerosene on the fire that is on the other side of the Capitol, and that is my Republican colleagues on the other side of the aisle who have committed and pledged to their constituents that we will end this hemorrhaging that we call spending which has given us the greatest debt in the history of this country.

So I guess I would ask my colleague from South Carolina, who is usually very modest and reticent in explaining his views, particularly in various media outlets, what is his view on this situation.

Mr. GRAHAM. Well, I thank Senator MCCAIN. My first view is it is better not to go over the cliff than to go over the cliff. But it is also important, as my colleague just said, to understand what we have accomplished.

Let's assume for a moment—let's hope this is a good assumption—that we are reaching an agreement by the end of the day that raises tax rates on people who make over $400,000. I don't think that is a good idea because I think it hurts job creation. The better way to get revenue is to eliminate deductions and exemptions for businesses and wealthy individuals and take that money back into the treasury, lower tax rates to create jobs and pay down some debt. That is what Bowles-Simpson did.

Not one bipartisan group, I say to the Senator, that has tried to solve our debt problem and our spending problem and our revenue problem has suggested raising tax rates. Bowles-Simpson, a bipartisan group, actually lowered tax rates, and they did that by eliminating deductions and exemptions, and they put a lot of money on the debt. They had a 25-percent corporate rate, and the top personal rate was 30 percent. They took this $1.2 trillion we give out every year in exemptions and deductions to the favored few and brought it back into the treasury. They paid down the debt and they lowered tax rates to help create jobs.

This President's approach is the opposite of Simpson-Bowles and the Gang of 6. We had six Senators, three Democrats and three Republicans. How did they try to solve our long-term problems? They reformed the Tax Code by eliminating virtually all deductions. They took that money back into the treasury, they paid down debt, and they lowered tax rates, just as Simpson-Bowles.

Now, this President has taken another path. He wants to raise tax rates to generate revenue. My concern is the higher the tax burdens in America, the less likely to create a job in America. There are better ways to generate revenues. But he has gotten his way and he is going to win.

Hats off to the President for having the courage of your convictions. You said during the campaign you were going to raise tax rates on everybody making above $250,000. Well, you probably are not going to get that, but you are going to be somewhere around $400,000.

The money to be generated, you say you want it to go on the deficit. Well, that is good. Yesterday, the proposal by our Democratic colleagues was to take that increased revenue from raising tax rates and spend $600 billion on the government. That is why they don't have a deal.

I am willing to swallow my pride and vote for a tax rate increase—even though I don't think it is good policy—just to save the country from going into the abyss and destroying the military. I am willing to do that, and I will take some heat. But that is the way democracies are. You win some, you lose some.

What I am not going to do is raise tax rates on anybody and take that additional money to grow the government when we all know we need to get out of debt. That is what was going to happen yesterday.

By 2037, the amount of debt we have in the Nation will be twice the size of our economy. Every child born in America owes $51,000 of debt on the day of their birth. When we look at Medicare, Social Security, and Medicaid, the three big spending programs, called entitlements, in about 25 years the cost of those programs is going to consume all the revenue coming into the government, and there will be no money for the Defense Department.

So when the President said today that round 2 will be the debt ceiling, he is right. He won round 1. But we have done nothing, as Senator MCCAIN indicated, to lower the deficit in any real way.

If we took every penny of the money we are generating from raising tax rates for people above $400,000, that is 6 percent of the national deficit. That doesn't even begin to solve the problem.

So this is a hollow victory—a victory of revenue with no change in the Nation's march toward becoming like Greece, no real reduction in our deficit or our debt. The good news is that we are one big deal away from dominating the 21st century because America's problems are less than most other places. The bad news is that deal is elusive. It requires Presidential leadership, and I haven't seen much of it. If we stay on the course we are on today, we are going to lose the American dream because our grandchildren and your children cannot pay off the debt we are about to pass on to them.

So in about 2 months round 2 begins, and we will be asked to raise the debt ceiling. Trust me, I don't want to default on our obligations. But in August of 2011, we borrowed $2.1 trillion because we ran out of money, and 42 cents of every dollar we spend is borrowed money. If we don't keep borrowing, we have to cut the government by 42 percent. Nobody suggests that is a good idea overnight.

But here is what I will not do. I will not continue borrowing money unless we address in the process what got us into debt to begin with. So when we have to raise the debt ceiling again, I want to make a simple request: Let's come up with a plan bipartisan in nature to save Social Security and Medicare from bankruptcy because they are going to run out of money and become insolvent in the next 20 years. Let's also create a spending reduction plan that will allow us not to become like Greece.

If you want to raise more revenue by capping deductions, count me in because we will need more revenue. But in 17 months, ladies and gentlemen, we spent $2.1 trillion. We are burning through money like crazy. It took us 200 years to borrow the first $2 trillion. We spent $2.1 trillion of borrowed money in 17 months. That has to stop.

So to President Obama: Congratulations on your tax rate increase. You fought hard and you won. I hope I have the courage of my convictions not to raise the debt ceiling until you and others will work with me to find a plan to begin to get us out of debt. You mentioned Medicare today in your speech, and I am glad you did.

In 2024, it completely becomes insolvent. Think of how many people in this country need Medicare and will need it 20 years from now. If we don't do something, it is going to run out of money. The age of eligibility for Medicare recipients is 65. It hasn't changed one day since 1965 when it first started. We are all living longer. I propose we adjust the retirement age to 67 over a 10-year or 20-year period. That will save the program in many ways.

People at my income level shouldn't get any money from the government to help buy prescription drugs. I should pay the full cost because I can afford to. That is called means testing. This CPI thing you hear a lot about, that is how you evaluate benefits. That needs to be reevaluated based on real inflation. We are overestimating the cost and adding burdens to these programs.

That is kind of technical stuff, but here is what I am telling you. I am not going to vote to raise the debt ceiling until we do something to save Social Security and Medicare from bankruptcy, and I am not going to borrow a bunch more money that our grandkids are going to have to pay off without a plan to get out of debt. If that is too much to ask, so be it. But it is not too much to ask of you at home because if you spend a lot more money than you make, you go to jail. We call it good governance. That has to stop.

So round 2 is coming, and we are going to have one hell of a contest about the direction and the vision of this country.

The President we need 2 months from now is going to be the one who will come down here and talk with us and work with us and not have a press conference. Because, Mr. President, I want to make you a historic President. I want, on your 4-year watch, for us to change the course of the country. I want to save Medicare and Social Security from insolvency, and I will give

you full credit as the Presidential leader if you will help us as a nation find a way to save these programs from bankruptcy. I want to turn around the spending problem we have and prevent us from becoming Greece. And if you will lead I will follow. Yes, I will raise more revenue in a responsible way. But without you, it is going to be hard for us to get there.

So the next time we meet, it is going to be a round of debt ceiling, and the image I want is not a bunch of people behind the President who are clapping for him, but Members of Congress—Republicans and Democrats—behind the President, clapping for the President because he signed a bill that will save all of us from a certain fate. And our fate is being sealed as I talk unless we make changes.

We cannot survive on the course we are taking today. The good news is, with some bipartisanship and Presidential leadership, we still have time to turn around this country and actually dominate the 21st century. It is going to take some pain and it is going to take some sacrifice.

One final story. When I was 21 my mom died. When I was 22 my dad died, 15 months later. My family owned a liquor store, a restaurant, and a pool room. Everything I know about politics I learned in the pool room. My sister was 13. My uncle took over the businesses. He left the textile industry to run the businesses. We moved in with my aunt and uncle. They never made over $25,000 or $30,000 their entire life. And if it weren't for Social Security survivor's benefits for my sister, we would have had a hard time making it. She went to college on a Pell grant.

I am 57. I am not married. I don't have any kids. I am part of the problem. That is what is happening all over America. But when I was 22, we needed every penny we could get in Social Security benefits. Today, I could easily give up $500 when I retire and not feel it at all, and I could pay more for Medicare—and I would, and I am going to ask people in my situation to do that. We just have to have the courage to ask. I think most Americans would say yes.

So Medicare and Social Security are not programs to me. I know what they do for real people, and if we do nothing, in 2032—which seems forever but it is not—Social Security becomes insolvent, and we have to cut benefits 25 percent for everybody, whether they can afford it or not or raise taxes by 38 percent, whether businesses can afford it or not. And the way you solve that is to reform the programs like Ronald Reagan and Tip O'Neill.

Mr. President, I am willing to play, along with my other Republican colleagues, the role of Tip O'Neill. You just need to play the role of Ronald Reagan.

So the next time we talk about fiscal problems in America, I want a news conference where the President is center stage, not surrounded by political activists but surrounded by Republicans and Democrats who can celebrate accomplishing something that we should all be proud of.

They tell me this is the least productive Congress in the history of the Nation. If it is not, I would hate to be in the one that was. We haven't done a whole lot up here.

I know Senator MCCAIN has been here a few years now. I ask the Senator, what is his opinion of where we are going as a nation and how we get along with each other?

Mr. MCCAIN. I would say to my friend, first of all, we have had some meetings of a bipartisan fashion to try and improve the process so that we can move legislation forward.

I believe the issue before us right now—at nearly 3 p.m., 9 hours from midnight and we still have not reached an agreement—and the longer it takes for us to reach agreement, the less time we will have examining it and the less time we will have before voting on it. As the Senator from South Carolina said: We can't keep doing business like this. And we can't.

But on this particular issue, I want to express, as I began, my disappointment in the President in having a cheerleading rally when we should be sitting down together and resolving this issue. That is what I have seen other Presidents, Republican and Democrat, do.

I hope, now that the President has made his statement with his cheering section, that now he would sit down—as Presidents have and should—and work to hammer out this agreement and agreements in the future.

The Presidential campaign is over. He won. Congratulations. Now let's get down to the serious business of governing this country in a bipartisan fashion.

Mr. ISAKSON. Mr. President, would the Senator from Arizona yield?

Mr. MCCAIN. I yield to the Senator from Georgia.

Mr. ISAKSON. I rise for a moment to associate myself with the Senator from Tennessee, the Senator from Arizona, and the Senator from South Carolina. I want to tell a personal story somewhat like the Senator from South Carolina.

I made my living my entire life before I got here for 33 years selling houses, causing two people to come together and agree on price, agree on terms, sign and shake on a deal, and walk away from a closing table feeling like both of them won.

I have also been elected to every legislative body I could be elected to in my State, and I have served in legislatures for 34 years. I have negotiated deals and been on conference committees, and I never once found myself making a deal by intimidating or insulting the other side.

What the President did this afternoon set us back in civility and in leadership and in dealmaking, and I am a big enough guy to know I am not going to take it personally. If the desire was to offend me, the speech did. But if the desire was to deter me, it did not.

It is time we all found ways to come together as Americans and solve our problems, not just in the short run but in the long run; not fill our room with partisan supporters, but, instead, cause everybody to sit together around the table and find a way to make a deal.

This is the greatest country on the face of this Earth, and it will continue to be unless we forget what got us here. What got us here are the American people, not the American politicians. The American businessman, the American entrepreneur, the American worker, the American laborer, and the American leaders—people who, through their sweat, their blood, and their toil built businesses, built factories, built companies, and made this great enterprise known as the United States of America work.

If we want to raise our revenue—sure, you can raise by percentage your revenue by raising your assessment, but if you lower your base your revenue goes down. What we need to do is empower our base by raising the prosperity of the American businessman, the American employee, and the American worker. As their prosperity rises, taxes will go up not because we are charging them more by rate, but because they are making more. The rate and what they pay goes up because they are more prosperous.

You will never raise the revenue you need by insulting the American people or taking away the incentives to work, make a living, maybe take a risk and be an entrepreneur. So while we had a speech today—the intention of which I don't know, but it probably protracted and delayed what we are trying to do here today, and that is find a way to come back and fight another day.

I agree with Senator GRAHAM. The big battle is yet to come, and it is over the debt ceiling. It is going to be a big battle, and I share every comment and every sentiment that Senator GRAHAM said because that is the one where we have to find a way to make a deal. The President is not going to make a deal by poking us in the eye and by charging one side against the other to try and have a win-win proposition. I never made a deal if it wasn't a win-win proposition. I always lost a deal when I made it a win-lose proposition.

I am at the table. I will continue to negotiate. I want to make this country work, but let's work together. Let's find common ground. In the eleventh hour and in the twelfth hour, let's do what is right for the American people.

I want to thank Senator GRAHAM, Senator CORKER, and Senator MCCAIN for their remarks. I associate myself with them, and I yield the floor.

Mr. MCCAIN. Mr. President, I yield the floor for the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Mr. President, I thank the Senators from Arizona, South

Carolina, and Georgia for the comments they have made. I already addressed the issue of the speech. I agree with the comments made by my colleagues here.

I want to address the substance of this. We get caught up in terminology around here and sometimes talk beyond each other. I don't know what most people are doing today, but the country almost came to a halt in August of 2011 as we negotiated some reductions in spending—$2.1 trillion worth. Most people believed that was not enough. I know everybody in this body has been contacted by the Fix the Deck folks and others who think we need to have a $4.5 trillion to $5 trillion deal, and I agree with that 100 percent. I thought that was what we were going to be doing.

As the Senator from South Carolina said, had we done that, we could focus on the tremendous potential this country has. We are not going to do that.

Let me go back to August 2011 when we agreed to reduce spending by $2.1 trillion. We implemented some things and we put some things off to what we call the sequester, which is what I am talking about now. The sequester was supposed to kick in on January 1 if we didn't reach an agreement on other spending reductions. I had hoped we would come up with other spending reductions. I know my friend, the Presiding Officer, felt the same way. But we have not done that.

Here is the substance of what the President just said in his speech; that is, since we did not come up with an agreement on spending reductions, we are going to deal with the sequester that kicks in tomorrow—the $1.2 trillion.

EXTENSION OF MORNING BUSINESS

Mr. BENNET. Mr. President, I ask unanimous consent that the period for morning business for debate be extended until 5 p.m., with Senators permitted to speak up to 10 minutes each.

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

Mr. BENNET. I thank the Senator.

Mr. CORKER. Mr. President, I see the Senator from Kentucky. I think most people would rather listen to him than to me.

I yield the floor for the moment as he makes his comments.

Mr. MCCONNELL. Mr. President, are we in a quorum call?

The PRESIDING OFFICER. The Senate is not in a quorum call. The Senator from Tennessee has yielded the floor.

THE FISCAL CLIFF

Mr. MCCONNELL. Mr. President, yesterday—after days of inaction—I came to the floor and noted the obvious: we need to act but I need a dance partner. So I reached out to the Vice President in an effort to get things done. I am happy to report that the effort has been a successful one, and as the President just said in his television appearance, we are very close to an agreement.

We need to protect American families and job creators from this looming tax hike. Everyone agrees that action is necessary, and I can report that we have reached an agreement on all of the tax issues. We are very close.

As the President just said, the most important piece—the piece that has to be done now—is preventing the tax hikes. The President said, ''For now our most immediate priority is to stop taxes going up for middle-class families starting tomorrow.'' I agree. He suggested that action on the sequester is something we can continue to work on in the coming months.

So I agree, let's pass the tax relief portion now. Let's take what has been agreed to and get moving. This was not easy to get to. The Vice President and I spoke at 12:45 this morning, 6:30 this morning, and multiple times again during this morning. This has clearly been a good-faith negotiation. We all want to protect taxpayers, and we could get it done right now.

So let me be clear: We will continue to work on finding smarter ways to cut spending, but let's not let that hold up protecting Americans from the tax hike that will take place in about 10 hours from now. We can do this; we must do this.

I want my colleagues to know that we will keep everybody updated as we continue to try to wrap this up.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. CORKER. Mr. President, it is appropriate that the Senator just said what I have said, and I thank him for his comments. This, again, leads me to what I see is the rub. In his comments a minute ago, the President alluded that the tax arrangements have all been agreed to and the things Americans most care about have been agreed to.

In a late request this morning, the President wanted to do away with the sequester—the $1.2 trillion in cuts—by paying for them with revenues instead of trading out other cuts, which is unbelievable to me with the amount of debt we have in this Nation. The fact is we have agreed to additional revenue. Now, at the last minute, what has happened is the sequester is getting ready to kick in because we could not agree to other revenue cuts. By the way, it was not part of this deal but to supplant what we did back in August 2011.

We all know the sequester is going to kick in. For some reason people think it is being done the wrong way and should be done in a different way, which I actually agree and hope we will do. Instead of reducing that spending, the President wants to add revenues to that to keep that from happening.

Now, let me explain what that means. We have this tax increase that is getting ready to happen—by the way, I would support that—and instead of reducing the deficit like the President campaigned on, what he wants to do is use those revenues to supplant spending reductions we have already agreed to, so we are not reducing the deficit. We are using this revenue, which has been campaigned on for a year, not to reduce deficits but to keep spending cuts that have already been agreed to from happening. I don't think there are many people on either side of the aisle who would think that is a very good idea.

Now, what the President is doing is holding this agreement on taxes for all Americans hostage to keep from doing the spending reductions we have already agreed to. I don't know if most Americans who listen to us quite understand what is happening.

I listened to the President yesterday speaking with David Gregory, ''Meet the Press,'' and I know he talked about the $1 trillion in spending reductions he has offered up, which by the way I applaud. The problem is I have never seen them. I don't think the Presiding Officer has ever seen them. As a matter of fact, there is not a soul in this body who has ever seen the spending reductions that the President has offered up because they don't exist.

I know there were broad contours that were talked about; I know that. The people in this body know that last week LAMAR ALEXANDER and I offered a bill on the floor to raise the debt ceiling by having $1 trillion in entitlement reforms so we don't end up in a situation where the credit of our country is in jeopardy. Today people are paying one-third of the cost of Medicare. There will be 20 million more Americans on Medicare over the next 10 years, and we are paying for one-third of that. It is a time bomb.

We have offered reforms to cause Medicare to be here for future generations. We have done that in advance so the debt ceiling is raised in a way that does not jeopardize the country's credit. At the same time, we reformed these programs so they will be here for the future.

Yesterday the President said on television that he has offered $1 trillion in cuts. I have never seen them. What I would say to the Presiding Officer is, if they exist it would be helpful if we could see those because that would help us with this debt ceiling debate. It may be that some of those are similar to the reforms and reductions that Senator ALEXANDER from Tennessee offered with me. That would be highly helpful. Once the pep rallies are over maybe the President could send a list of those reductions and reforms that he says he has offered that no one I know of has ever seen. I think it would be helpful to us in the debt ceiling debate.

As a matter of fact, my guess is we might agree with a lot of those. What we could do is maybe take the President's reductions that he says he has offered, which he has never offered, and

we could use those to help raise the debt ceiling and alleviate some of the issues that my friend from South Carolina was mentioning a minute ago.

Mr. Presiding Officer, my friend, I will tell you that I am disappointed where we are today. I thought 2 years after we began this process we would end up with something that would cause us to have this viewed from the rearview mirror. In other words, this would be behind us, and we would begin 2013 in a situation where the economy was ready to take off and people in this country would know that we dealt with our issues, and, candidly, people around the world would know it as well. We have not done that. We are talking about the kick-the-can-down-the-road deal. Everybody knows that.

Everybody in this body knows that by the time this agreement takes place we have done nothing to reduce a penny of debt in this country. People know that, and that is a shame.

The American people are watching us. We have turned ourselves into the laughing stock of the world because we cannot sit down and just solve these problems. Candidly, I don't know why we cannot do this on the Senate floor. It has been empty over the last week. I think we could have brought a bill to the floor to deal candidly with this. I think most people on both sides of the aisle think the same way. We have not done it. Surely, we should not let this happen again.

I want to close by saying that I am disappointed with what I think is about to happen on the sequester. It looks like we are going to use revenues to substitute for spending reductions that have already been agreed to. What that means to the American people is that the tax on the wealthy, which I support in the form that I have understood it to be, is not going to be used to reduce our deficit but to keep from putting in place the spending reductions we have already agreed to.

I don't know many Democrats or Republicans who would think that is a particularly good idea, especially with everything we went through and everything we put the world through in August 2011. Much of that will be dissipated and watered down today. Not only are we not making progress if that happens, we are actually going to be setting ourselves and our country back. I think this will make it even more difficult to overcome the debt ceiling that is coming up in 75 days.

I am obviously making this speech to, hopefully, help influence the outcome over the next couple of hours. I hope that what the President said over in the Executive Office Building is not what he means. I doubt there are many people in this body who agree with the comments made by the President, and I hope the negotiators will take that into account.

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

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

The legislative clerk proceeded to call the roll.

Mr. LIEBERMAN. 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. LIEBERMAN. Mr. President, I have come to the floor to express my own sense of encouragement about the statements made this afternoon by President Obama and Senator MCCONNELL which indicate that the negotiations to avoid the so-called fiscal cliff are making progress. We are not there yet, but they are making progress. I am very encouraged by that.

I have heard over the last couple days a familiar phrase invoked many times, and it is that no deal is better than a bad deal. I suppose it is often true that no deal is better than a bad deal. But in the case of the fiscal cliff, no deal is the worst deal because the government will go over the fiscal cliff and will take almost every American with us.

Almost every family who pays taxes now will pay higher taxes. People's jobs will immediately be put in jeopardy, unemployment compensation will end for more than 2 million people. Our defenses will be decimated by cuts that will put us in a position of accepting unacceptable risks to our security. Title I programs of education for low-income children will be cut dramatically.

Most people, including our own Congressional Budget Office, say the combination of tax increases along with the decreased spending required under the Budget Control Act will push our economy back into recession in the new year.

So I do not agree that no deal is better than a bad deal. In this case, I repeat, no deal is the worst deal because it allows our country to go over the fiscal cliff and hurts almost every American family and our country and our economy as a whole. This should not be a surprise to us. It is not as if—if I can use the metaphor that Congress was going along in a bus on a ride through the country and suddenly came to the end of the road and there was a cliff. This should not be a surprise to us. We created this cliff ourselves a year and a half ago when we adopted the Budget Control Act. We created it for a very good reason: Because we knew we had proven ourselves incapable of making the compromises that were necessary to achieve the long-term bipartisan debt reduction program America desperately needs.

We are over $16.4 trillion in debt. I am in my last days as a Senator. If you told me when I started that we would be $16 trillion in debt, I would not have believed it. Frankly, if you had told me just a dozen years ago, at the end of the Clinton administration when we were in surplus, that we could possibly be $16 trillion in debt, I would have thought you were not reality tested. But here we are.

Most everybody knows the way we are going to get out of this is with a combination of tough medicine—I would call it tough love. We are going to have to reduce spending. We cannot do it all from discretionary spending. The Budget Control Act we adopted last summer; that is, the summer of 2011, does it all from discretionary spending. What is discretionary spending? It is different from entitlement spending: Medicare, Medicaid, et cetera. It is what most people think of as the government. It is education programs. It is environmental protection. It is social service programs. It is defense. It is homeland security. It is law enforcement. That is about one-third of our budget. It is not the part of spending that is driving the debt and deficit. That is being driven by the growth in entitlements, which are rising for a good reason, which is that the American people are living longer; therefore, taking much more money out of programs such as Medicare than they put in and, I suppose, for reasons that are not so good, which is the cost of health care continues to go up.

We proved ourselves incapable of dealing with this crisis as part of the normal process of compromise. So we created the cliff, which was intentionally made so harmful that our assumption was that we would not allow ourselves to go over the cliff because it would be so hurtful. Again, that is why no deal in this case is not better than a bad deal. No deal is the worst deal because it means we go over the cliff.

Why is all this happening? For a lot of reasons. But one is that there are groups within both great political parties who are defending the status quo, who do not want the situation as it exists now, which has created the $16½ trillion of debt, to change. But we cannot go on this way. Because if we do, we already are putting an enormous burden on generations of Americans to follow in paying off the debt we have incurred. But we are also coming to a point, if we do not do something soon, where the choices we are going to have to begin to pay off the debt are going to be hurtful to our great country, which is enormous tax increases, enormous spending cuts such as the one in the fiscal cliff proposal or, at worst, the monetizing of the debt, a drop in the value of the dollar, and all the harmful effects that will have on our economy and our country.

Here we are, December 31, not only the eve of a new year—which we hope and pray will be a great one for our country and everyone who lives in it—but a few hours away from letting our country go over the cliff. We can't let it happen, and that is why I am so encouraged that these bipartisan negotiations are looking like they will produce a bipartisan agreement, which hopefully will come before the Senate sometime this evening.

This is not, this will not be the comprehensive, bipartisan, long-term debt

agreement we created the cliff to encourage. This will not be the bipartisan, long-term debt reduction agreement this country needs.

So much is beginning to turn right in our economy. Housing prices are doing better, unemployment is down. We see manufacturing picking up again. The big problem the American economy has is right here in Washington, our inability to get together across party lines to bring our country back into fiscal balance and to show the country and the world we have a political system that is capable of fixing our problems.

Earlier this year, Bob Carr, the Foreign Minister of Australia, one of our greatest allies in the world, said: ''The United States is one budget deal away from restoring its global preeminence.''

''The United States is one budget deal away from restoring its global preeminence.'' Perhaps because I am so proud of this country, I would say we are one budget deal away from restoring our global dominance for a considerable number of years.

Unfortunately, after—I hope and I pray we adopt the result of negotiations going on now and avoid the fiscal cliff—we will still be one grand bargain budget deal away from restoring our global preeminence. That work has to be done, but at least we will have avoided the cliff.

By a twist of fate, the occupant of the chair is my colleague and friend, the Senator from Connecticut. You have probably seen these numbers, but just to bring it home for one State, what will be the impact if we allow the country to go over the fiscal cliff in Connecticut: 1.4 million middle-class families will see their Federal income taxes increase, almost 1.5 million families.

If the middle-class tax cuts are allowed to expire on January 1, a median-income Connecticut family—now I know the median in Connecticut is higher than it is in most other States, but this number is true for any family making this amount of money. It makes an important point.

A family of four earning $86,000 a year happens to be the median family income in Connecticut. But that family, which I think would be considered median just about everywhere, middle income just about everywhere, would see its Federal income taxes rise by $2,200. That is a lot of money for a family of four paying a mortgage, paying for food, probably paying something for education for their children, maybe college—too much.

Another Connecticut number is 680,000 additional Connecticut taxpayers will be hit by the alternative minimum tax. It is amazing when we think about that. Those are going to be middle-class families who will be hit by that. Also, 120,000 Connecticut taxpayers will no longer get a tuition tax credit to help pay for college because that too will expire if we don't do something about it. There are 340,000 Connecticut families raising children who will see an average tax increase of $1,000 as they lose access to the child tax credit.

The earned-income tax credit, which was something adopted during the 1990s—which I was proud to be part of—is also set to expire on January 1. That is for—when I say lower working families, some might call them lower middle income, gives them a break that they need.

In the most recent year for which we have numbers, almost 43,000 Connecticut working families received important benefits from the earned-income tax credit, and they would lose it.

The national numbers are 2.1 million people long-term unemployed who will see their unemployment checks end. We are setting them adrift. In Connecticut, that means 33,600 Connecticut individuals will lose unemployment benefits under the Emergency Unemployment Compensation Program.

I met with a group of these folks recently, and I know a lot of these people are white-collar people. Some of them are in their middle years of life, and they lost their jobs in companies that were hit by the recession. They are having an impossible time finding new employment, and, believe me, they are working so hard to try to get it—33,600 of them would be set adrift without unemployment benefits if we go over the fiscal cliff.

One estimate by the National Economic Council is that there would be $2.5 billion less in consumer spending in Connecticut, and that is basically because tax hikes will take a bite out of middle-class budgets and, frankly, some people will lose their jobs. I am afraid they will lose their jobs in many industries, including the defense industry, which remains a foundation, as the acting chair knows, of our State's economy. The NEC also estimates that we would have 1.1 percent slower growth in the Connecticut economy with the attendant harmful results of that.

I could go on and on. Title I would be forced to serve about 9,300 fewer Connecticut children. We would get $5.6 million less in funding low-income home energy assistance payments to people in our State who heat with oil, and on and on and on.

This is all my way of coming back to the point I made at the beginning and why I am encouraged by the statements President Obama and Senator MCCONNELL made this afternoon that we are close to an agreement, close to a deal.

I don't agree, I say again, that no deal is better than a bad deal. In this case of the fiscal cliff, no deal is the worst deal possible for the American people.

We passed the time when we are going to, before tonight, negotiate the comprehensive bipartisan debt reduction agreement our country desperately needs. The least we can do is protect the constituents who were good enough to send us here from the worst possible result, which is that we let the country go over the cliff. We have proved that to everybody, including people around the world who depend on American strength and watch us, that our political system has become absolutely dysfunctional.

So I hope the negotiations going on now end with an agreement, and I hope we will pass it with a bipartisan majority, a strong bipartisan majority in the Senate and the House. I certainly will support it from all I hear about it myself.

I yield the floor, and 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. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Indiana.

TRIBUTES TO RETIRING SENATORS

JOE LIEBERMAN

Mr. COATS. Mr. President I wish to thank my friend, my long-time friend whom I hate to see leave this body, Senator LIEBERMAN from Connecticut, for his remarks.

I didn't have the opportunity to speak after he gave his farewell remarks. I do wish to say, before I get into the reason I came down here—I am happy to see him here so I can say this—it has been a joy to serve with him over the years.

I am in my second life in the Senate, and during my first life we served together on the Armed Services Committee. We did a number of initiatives together on which I was proud to be associated with him, that I believe strengthened our national economy and our security team around the world. We worked on school vouchers for DC and a number of other initiatives affecting the future of our military and other issues that were of importance to us.

Most important, from my standpoint, we worked together to bring values that each of us cherish based on our faith. JOE is of the Jewish faith, and I am of the Christian faith. We discovered on a trip to Iraq, just after Desert Storm, that we, in talking to each other, shared our respective faiths and how it affected our lives, how it affected our families, and how it helped us form decisions we make. Of course, coming from two different parties, we didn't find agreement on everything, but we found agreement on a number of things, particularly those things where we shared common values, where our faith shared common values and where individually we shared those values.

Under the direction of a rabbi from Chicago we cochaired the Center for Jewish and Christian Values, bringing

together Jews and Christians to talk about what they had in common and what values we could work together on for the betterment of our country and for the betterment of our society. Too often we bring groups together of different persuasions to discuss, argue, and debate the differences. This was different because we brought these groups together, distinguished leaders from both sides, prominent leaders from both sides, to set aside those differences and work to find those values we had in common. It was a joy to participate in that with Senator LIEBERMAN and to cochair that.

We have remained friends. His contributions to our country, not just representing a State but representing America around the world, will long be remembered and will have great impact and effect. We are losing a real talent, and we are losing a real gentleman. We are losing someone who is an example of how he conducts himself and is an example for all of us as to how we ought to conduct ourselves, and we don't always do that.

But JOE LIEBERMAN has left a lasting impression on me—and I know a number of our colleagues on both sides of the aisle—and he will be sorely missed.

One thing I am happy about is that we will continue a lifelong friendship, and I am looking forward to many more opportunities for Senator LIEBERMAN to work on matters of interest but will enjoy a continued sharing of the commonalities of our Judeo-Christian faiths.

KENT CONRAD

Ms. KLOBUCHAR. Mr. President, today I wish to recognize my colleague KENT CONRAD for his many years of distinguished service and leadership on behalf of our country and the people of North Dakota. It has been such an honor for me to serve with KENT as my neighboring Senator these last 6 years.

I like to kid with KENT that it seems like North Dakota is always in the middle of some kind of drought or flood or other natural disaster. There's actually a joke I once told him about how you can spot a tourist from North Dakota in the middle of a beach in Florida. It's easy—they are the ones putting all the sand in sandbags.

But jokes aside, KENT has been truly tireless in his work to improve our current flood prevention measures and to ensure North Dakota has the tools it needs to prepare for and recover from natural disasters.

As anyone who has worked with him on the Agriculture Committee knows, he has also been an outstanding advocate for our Nation's farmers, ranchers, and rural communities. KENT has consistently led efforts to strengthen the sugar program, which is critical to sugar beet growers in States like North Dakota and Minnesota. He played a key role in crafting both the 2002 and 2008 Farm Bills, and he was a driving force in getting the 2012 Farm Bill drafted and passed out of the Senate on a strong bipartisan vote in June.

So there is no question that KENT's expertise on farm policy will be sorely missed. As Congressman COLLIN PETERSON likes to say, ''There are only 11 people who truly understand how the complex farm payment programs work. And ten of them are in North Dakota.'' Well, with KENT retiring I guess there will only be nine.

Whether it's standing up for farmers or fighting floods or saving the Minot military base, KENT has touched and improved the lives of people in every corner of North Dakota. At the national level, he has been an outspoken leader on the issue of debt reduction and has consistently advocated for policies that benefit the middle class.

It would be impossible to do full justice to Kent's legacy in a single statement, so instead I will simply say this: North Dakota is better off because of KENT CONRAD's leadership, and so is our country. Senator, thank you for all of the friendship, wisdom and support you have shown me over the years. You will be missed, but I know that even in retirement you will continue to find ways to improve our great country and work for the people of North Dakota.

HERB KOHL

Mr. President, I wish to recognize my colleague HERB KOHL for his many years of distinguished service and leadership on behalf of our country and the people of Wisconsin.

It has been an incredible honor for me to serve with HERB as neighboring Senators these last 6 years. He is a statesman in the truest sense of the term, not to mention one of the most genuinely kind and steadfast public servants of our time. This is the reason he is so admired in the Senate, and it is how he came to be known as one of the most beloved and respected public figures in the State of Wisconsin.

Like HERB, my mom was born and raised in Milwaukee. I have many fond memories of visiting Wisconsin and can personally attest to how loved and respected HERB KOHL is throughout the State. People know him for the jobs he created as a businessman. They know him for the scholarship program created in his name. And of course, they know him for the way he ''saved basketball'' by keeping the Bucks in Milwaukee. But above all, people know HERB for his consistent record of putting Wisconsin first.

From strengthening Wisconsin's manufacturing sector and keeping jobs in the State to improving the MILC program and better supporting our dairy farmers, HERB has touched and improved the lives of people across Wisconsin and throughout the Midwest. At the national level, he has earned a reputation as a masterful policymaker with a quiet, commonsense approach to legislating that is the stuff of Senate legend. But don't be fooled by HERB's even keel.

When it comes to protecting consumers and standing up for the middle class, few people are as fiercely committed as HERB KOHL. As chair of the Antitrust Subcommittee, he has been a truly tireless champion for consumer rights and competition policy. I've seen this firsthand, while working with him on legislation to crack down on captive shipping in the rail industry and to restrict the so-called pay-to-delay deals that keep affordable prescription drugs off the market.

Senator KOHL, it would be impossible to do full justice to your legacy in a single statement. So instead I will simply say this: Wisconsin is better off because of your leadership, and so is our country. Thank you for all of the friendship, wisdom and support you have shown me over the years. You will be missed, but I know that even in retirement you will continue to find ways to improve our great country and work for the people of Wisconsin.

KAY BAILEY HUTCHISON

Mr. President, I wish to recognize my colleague KAY BAILEY HUTCHISON for her many years of distinguished service and leadership on behalf of our country and the great State of Texas.

Over the course of her 19 years in the Senate, KAY has earned a reputation for being one of Washington's hardest-working and most masterful policy makers. I've seen this firsthand, while working with her on a number of different issues over the years.

During the debate over Wall Street reform, KAY and I teamed up on legislation that helped keep the lights on at over 600 community banks in Minnesota and over 2,000 in the State of Texas. We also worked together to update and improve our Federal anti-stalking laws, making it easier for law enforcement to crack down on high-tech predators using devices like spyware and video surveillance. In both cases, I was impressed with KAY's ability to reach across the aisle and find commonsense solutions.

No matter what the issue, KAY has always stood up for the people of her State. She has been a strong and consistent voice for the people of Texas, but I also think it's important to recognize her role as a pioneer for women.

I will never forget a story KAY once told me, about how she was one of just seven women in her law school class and couldn't find a job at any of the all-male Houston law firms when she graduated. So instead, she took a job covering the Texas State Legislature for a local TV station.

KAY clearly caught the political bug, because it was just a few years later that she ran for a seat in the Texas House of Representatives. When she won, she became the first Republican woman ever elected to that body. She shattered another glass ceiling in 1993, when she became the first woman to represent Texas in the Senate. It was a milestone for women everywhere from the Lone Star State to the North Star State.

When I was running for the Senate in Minnesota in 2006, only two women had run before me and both of them had lost. This came up during my campaign

when reporters would ask me, ''Can a woman win in Minnesota?'' My response? Of course. A woman won in Texas.

So even before I knew KAY personally, I was inspired by her story and by everything she had accomplished. Senator, thank you for all of the friendship, wisdom and support you have shown me over the years. You will be missed, but I know that even in retirement you will continue to find ways to improve our great country and give back to the people of the State you love so much.

BEN NELSON

Mr. President, I wish to recognize my colleague BEN NELSON for his many years of distinguished service and leadership on behalf of our country and the people of Nebraska.

It has been an honor to serve with BEN over the past 6 years. He is a true statesman and a champion for the people of Nebraska. During his time in the Senate, BEN has earned a reputation as a pragmatist who values problem-solving over partisanship, and I have admired his sensible, commonsense approach to legislating.

BEN seemed to be destined for public service from an early age, winning his first election at the age of 17, and he is known for his consistent record of putting Nebraska first. No matter what the issue, BEN has always stood up for his State and he has improved the lives of people across Nebraska. At a national level he has been a strong voice for fiscal responsibility and shared sacrifice.

Having grown up in a small town in Nebraska, BEN has never forgotten his roots. While serving on the Senate Agriculture Committee with BEN I saw firsthand his deep appreciation and respect for the farmers, outdoorsmen, and rural communities that are vital not just to our economy but to our way of life in the Midwest.

He was instrumental in crafting both the 2008 and the 2012 Farm Bills and he has been a clear and consistent advocate for homegrown energy, leading the way on policies to help our country achieve energy independence.

He has also been a champion for our men and women in uniform, helping to ensure that members of the Armed Forces and our veterans receive the support they need and deserve.

Senator NELSON, it would be impossible to do full justice to your legacy in a single statement. So instead let me simply say this: The State of Nebraska is better because of your leadership, and so is our country. You will be missed in the Senate, but given everything you accomplished before you were elected—as Governor of Nebraska and as a successful businessman—I know in your retirement you will continue to find ways to improve our great country and work for the people of Nebraska.

OLYMPIA SNOWE

Mr. President, I wish to recognize my colleague OLYMPIA SNOWE for her many years of distinguished service and leadership on behalf of our country and the great State of Maine.

OLYMPIA has long been a friend and mentor to me. In fact, she was assigned to be my official Republican mentor in the Senate, and she has been a great one.

That was almost 6 years ago. So much has happened in that time, but throughout it all I have continued to be impressed with OLYMPIA's grace, composure and unfailing ability to find commonsense solutions. Time and again, she has reached across the aisle to put politics aside and get things done for the good of her State and the country.

In addition to being a voice for bipartisanship, OLYMPIA has earned a reputation as one of the Senate's most masterful policy makers. I've seen this firsthand, while working with her on a number of different issues over the years. OLYMPIA cosponsored my very first major bill in the Senate ''Carbon Counter'' legislation to reduce carbon emissions and combat global climate change.

I also had the pleasure of working with her to create an Airline ''Passengers Bill of Rights,'' which was included in the 2011 FAA reauthorization bill and has led to a significant decrease in tarmac delays. And we joined forces again this year, on legislation aimed at addressing sexual assault in our military by improving the process for tracking and reviewing claims.

Working with OLYMPIA these last 6 years has been an incredible privilege for me. I've respected her as a policymaker, particularly for her work on national security and small business issues. I've admired her for her outspoken leadership and commonsense approach to legislating. And maybe most importantly, I've genuinely enjoyed her as a friend and a colleague—for her kindness, for her wisdom, and for her unfailing good nature.

OLYMPIA has been a truly outstanding voice for the State of Maine and a great leader for the people of this country. To say that she will be missed would be a tremendous understatement, but I know she will continue to find ways to improve our great country and give back to the State she loves so much. Thank you, Senator SNOWE. I wish you the best.

JOE LIEBERMAN

Mr. President, I wish to recognize my colleague JOE LIEBERMAN for his many years of distinguished service and leadership on behalf of our country and the people of Connecticut.

JOE will always have a special place in my heart. As many of my colleagues know, he was actually one of my professors in college. He gave me one of my first introductions to the political process through a seminar he taught on the subject of the national political parties. Interestingly enough, Senator SHERROD BROWN also took that same class just a few years earlier. Even more interesting is the fact that everyone remembers what grade I got, but no one seems to recall what grade SHERROD got.

But I digress. Not many political science professors can say they've taught two concurrently serving U.S. Senators. JOE can, however, and I think that's an enormous tribute to his character and genuine zest for public policy. As one of his former students, I made a point of following his career over the years and always admired his political courage. But it never occurred to me that I might someday be serving alongside him in the Senate.

Working with JOE these last 6 years has been an incredible privilege for me. I've respected him as a policymaker, particularly for his work on national security and climate change. I've admired him for his outspoken leadership and commonsense approach to legislating. And maybe most importantly, I've genuinely enjoyed him as a friend and a colleague—for his kindness, for his wisdom, and for his famous sense of humor.

JOE LIEBERMAN has been a truly outstanding voice for the State of Connecticut and a great leader for the people of this country. To say that he will be missed would be a tremendous understatement, but I know he will continue to find ways to improve our great country and give back to the State he loves so much, even in retirement. Thank you, Senator LIEBERMAN. I wish you the best.

JIM WEBB

Mr. President, I wish to recognize my colleague JIM WEBB for his distinguished service and leadership on behalf of our country and the people of Virginia.

I will always have a special place in my heart for JIM WEBB, and that is because he and I were members of the same incoming class of Senators back in 2007. We ran for the Senate at the same time in 2006, and to this day I will never forget how he wore his son's old combat boots on the campaign trail. Day in and day out, no matter where he went, no matter what the weather, JIM was walking tall in those boots.

Since his very first days in office, JIM has been a tireless champion for our men and women in uniform. On day one, he introduced a 21st Century GI Bill to deliver the most comprehensive educational benefits since World War II. It led to legislation that was eventually signed into law, and it has made it possible for tens of thousands of post-911 troops and veterans to afford a college education.

While JIM is best known for his leadership on defense and military issues, he has also earned a reputation for being a problem solver who takes a commonsense, bipartisan approach to legislating. Time and again, JIM has reached across the aisle to put politics aside and get things done for the good of the country. He has been a clear and consistent voice for energy independence and a stalwart advocate for policies that benefit the middle class. As a

former prosecutor, I have greatly admired his work to improve our criminal justice system from top to bottom—not just by strengthening law enforcement, but by addressing systemic challenges of reentry and recidivism.

JIM, it would be impossible to do full justice to your legacy in a single statement. So instead allow me to end by saying this: The Commonwealth of Virginia is better because of your leadership, and so is our country.

You will be missed in the Senate, but given everything you accomplished before you were elected—as Secretary of the Navy, as an Emmy award-winning journalist, as the author of nine books—I'm confident you will find some way to occupy your time in retirement. I know you will continue to find ways to improve our great country and give back to the State you love so much. Thank you, Senator WEBB. I wish you the best.

SCOTT BROWN

Mr. LIEBERMAN. Mr. President, I rise to express my gratitude to SCOTT BROWN, with whom I have enjoyed the privilege of serving for the past 3 years. During that time, Senator BROWN and I served together on the Homeland Security and Government Services Committee, which I have chaired, as well as the Senate Armed Services Committee, where he and I have worked closely together as chairman and ranking member.

Senator BROWN's life story is a testament to our power to overcome any obstacle. His aptly titled memoir, ''Against All Odds,'' describes how despite suffering through a childhood in which he had to steal in order to help feed his sister and in which he was the victim of abuse, he rose to attend college and law school, serve in the Army National Guard, and eventually be elected to the U.S. Senate. Senator BROWN should be a role model to every young American who looks at themselves in the mirror and wonders whether they can overcome the obstacles in their path, because he has.

Senator BROWN has been an invaluable Member of the Senate and the committees on which he has served, lending a voice of reason in an ever more partisan time. As a member of the Senate Armed Services Committee, Senator BROWN played a critical role in the debate on whether to repeal the military's don't ask, don't tell policy, grilling witnesses at the committee's hearings on the issue throughout the year. Senator BROWN was forthright in his view that the law should not be changed until Congress fully understood any possible risks associated with acting on the issue, but after he had studied the report issued by the Defense Department's working group tasked with reviewing the issue, he lent his strong voice in support of repeal. For that, I am grateful, as are the tens of thousands of gay and lesbian servicemembers who no longer serve under the threat of separation because of who they are.

In the 112th Congress, Armed Services Committee's Subcommittee on Airland, he and I were responsible for overseeing the tactical aviation and land power programs of the Army, Navy, Air Force, and Marine Corps. It was a great pleasure working with SCOTT on these important matters, and I always benefitted from his experience as a guardsman when reviewing these programs.

As a member of the Homeland Security and Governmental Affairs Committee, Senator BROWN fought for and achieved passage of the Stop Trading on Congressional Knowledge Act, STOCK Act, a bill that forbids Members of Congress and their staffs from profiting in any way from the information they obtain as part of the job that is not public. It is a testament to his service in the Senate that one of SCOTT BROWN's most notable accomplishments was a bill to uphold the standards of the ethical behavior of Congress. It was an honor to work with Senator BROWN on this important effort.

As ranking member on the Federal Financial Management Subcommittee, SCOTT BROWN joined his chairman, TOM CARPER, along with full committee ranking member SUSAN COLLINS and me to introduce the bipartisan 21st Century Postal Service Act, which the full Senate endorsed on April 25, 2012. This bill reflected many hours of tough negotiations in which SCOTT played a key role, and set out a balanced plan to get the Postal Service's finances back in order.

Senator SCOTT BROWN has enriched the work of the Senate and the lives of his colleagues over the past 3 years. He brought to the Senate not only his considerable talents but a great sense of humor, which was particularly helpful in the 3 tough years he was here. I wish him and his family all the best as he opens a new chapter of his own life and know that he will continue to serve our country in ways that really matter.

THE FISCAL CLIFF

Mr. COATS. Mr. President, I came to the floor before I heard the announcement that apparently we are closing in, thankfully, on something which I don't have all the details of as yet. So I can't simply say hooray, this is exactly what we ought to do. I think neither side is going to be able to say this is what we wanted to do.

But in recognition of the fact that we are careening now—hours are ticking—hours away from a devastating impact on Americans all across the country, every taxpayer—Senator LIEBERMAN announced the statistics relative to the impact on the average family in his State, and the same is true for Indiana and for all 50 States, to impose the massive tax increases which will occur on every taxpayer at midnight tonight, without addressing that, it is just simply unacceptable.

It is hard for a lot of us to swallow how little we did in addressing the larger fiscal issue in this country in order to get past this imposed deadline on something I did not vote for and did not support because I could see it coming to this end, and it was absolutely the wrong way to legislate and the wrong way to govern—pushing us toward this fiscal cliff, laying that dark cloud of uncertainty over every business in America, every household in America.

Everyone who had any interest in investing or was trying to plan for the future kept saying: I can't make a decision. I can't make plans. I don't know what you are going to do. Are we going over the cliff? Are my taxes going to rise? Are regulations going to increase? What is the future? And if the future remains uncertain, I can't plan ahead. If it is bad certainty, I can work around it. I might not like it, but I can make the adjustments necessary.

So, as a result, we have a stagnant economy as a result of all this.

I am hoping that when we learn the details of what we have finally arrived at, which we will be learning very shortly, I am hoping it is something we can swallow hard and accept, knowing—knowing—this fiscal cliff is nothing compared to the real fiscal cliff. The real fiscal cliff is the continued excessive borrowing and spending of over $1 trillion a year that is driving this country into a serious fiscal situation for the future. And it is not just something our children and grandchildren are going to have to pay for years down the line. It is something we are all paying for now. It is something that is keeping people from getting back to work, keeping companies from expanding.

We have an obligation to our generation and all future generations to address what I believe every American who is paying any attention whatsoever understands—and certainly everyone in this body and in our corresponding House down the hall understands, whether they are a Republican, a Democrat, liberal, or conservative—is just simple math. It is not even algebra or calculus. It is third grade math. You cannot raise $2.2 trillion a year and spend $3.5 trillion or $3.4 trillion. Literally, we have now added approaching $6 trillion in just the last 4 years, and it is unsustainable. That is going to hurt everybody, and it is hurting our economy right now. That is the real cliff. That is the cliff we have to continue to address. That is the cliff we were hoping to address in the leverage of this situation, but we are coming up very, very short.

Mr. President, I didn't realize we were under a time limitation. Are we under a time limitation?

The PRESIDING OFFICER (Mr. MANCHIN). The Senator has 2 minutes remaining.

Mr. COATS. All right. I thank the Chair. I saw some angst on the face of the Chair, and I thought my time was up.

Let me just say this to my colleagues. Many of us who watched the

President's press conference—no, it wasn't a press conference; the President's speech—felt we were seeing a rerun of something that took place during the campaign. We have all been watching a lot of football, and for Republicans to sit and listen and watch that, it reminded me of taunting those people on the other team. It stops you cold. It stands over you and taunts. It got so bad that now the NFL has made it a penalty and they throw the flag. It is not something we would expect out of the leader of this free Nation. It is not statesmanship. It is not leadership. It is in your face. It was dismissive, it was insulting, it was belittling, and in the end it was sad.

Now, the natural reaction is to get angry and push back and get revenge. But that is not where we are, and that is not where we need to be. We need to set this aside. It is like the coach tapping us on the shoulder pad and saying: What was done speaks for itself; don't stoop to that level. So we need to set that aside now and go forward in the interest of the future of this country, in the interest of America and the families and people we represent in our States, and look at this very carefully.

I think every one of us is going to say we haven't begun to address the spending, we haven't begun to address what we need to do, and so that has to be our charge in 2013—relentlessly.

And I would say, Mr. President, I think people on the other side of the aisle were probably embarrassed also by that speech. It was a campaign speech, and the campaigns are over. The President doesn't need to run for office anymore. It is time to lead. So let's all get together.

We have been working together——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COATS. I ask unanimous consent for 1 more minute.

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

Mr. COATS. I want to say this: To make laughter out of this, to ridicule it—it addresses all of us because I have been working with Senators across the aisle and they have been working with us. We all take this very, very seriously. This is not a joke. This is not something to make fun of. This is not something to politicize. This is something where we should rise above politics and do what is right for the future of America even though it is difficult. This is not doing what many of us would like to do, but we have been working together, Democrats and Republicans, and I can name dozens of Democrats who think this is a serious matter and who have been working hard for the last 2 years to try to address it, as frustrated as we are on this side.

So let's understand this is not a game. This is real. Let's work together to do what we can do and then continue to address the real issues as we go forward in 2013.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BLUNT. Mr. President, let me first of all join my colleague from Indiana in expressing my concern about where we are on taxes and spending and my hope that we get somewhere and get somewhere quickly.

We have certainly brought this down to the last moment. For months, many people on this floor talked about the importance of certainty as it relates to our economy moving forward, of certainty as it relates to family farms and small businesses and whether they can stay in the next generation of that family. So I hope we can achieve those things in the next coming hours as we finish this day and whatever it takes to create that level of certainty at the highest possible levels. How it impacts American individuals and families will be important.

The kinds of things we are hearing about the agreement—that we might be able to go forward generally—sound as though, for most Americans, they will solve problems that have been out there now for decades. Temporary tax policies—even tax policies that last for a decade, particularly when they relate to things such as the inheritance tax or the death tax—create problems that can be solved by just simply driving that place in the Tax Code and saying: This is what our policies are going to look like, and here is why they make sense for the American people. And hopefully we get there.

(The remarks of Mr. BLUNT and Ms. LANDRIEU are printed in today's RECORD under ''Submitted Resolutions.'')

The PRESIDING OFFICER. The Senator from Louisiana.

RECOGNIZING CHIEF JUSTICE CATHERINE KIMBALL

Ms. LANDRIEU. Mr. President, I rise today to recognize Louisiana Supreme Court Chief Justice Catherine D. Kimball, who is scheduled to retire in 2013. It was 1975 and the courtroom was packed in New Roads, LA. The people in the courtroom weren't there to hear the ruling on the salesman who allegedly scammed an elderly gentleman. They were there to see Catherine D. Kimball—the first female lawyer to argue a case in the New Roads courtroom. Catherine Kimball, affectionately known as ''Kitty'', later became the first female Chief Justice of the Louisiana Supreme Court. She will retire on February 1, 2013 and I rise today to offer remarks about this very accomplished woman.

Chief Justice Kimball brought a diverse legal background to the bench and exemplified leadership as a Justice on the Louisiana Supreme Court. While breaking the glass ceiling, she demonstrated a commitment to juvenile justice and legal scholarship. Chief Justice Kimball is truly a pioneer in the Louisiana legal community and a great legal scholar.

Catherine Kimball decided to attend law school during her freshman year of college. So in 1966, after earning her Bachelor of Arts at Louisiana State University, she enrolled at LSU law school. While attending law school, the future Louisiana Chief Justice met Clyde Kimball on a blind date. The two were married in January of 1967. By 1970, Chief Justice Kimball was graduating law school with two children and another on the way. After graduating from law school, she clerked for a Federal judge in Alexandria, LA before returning to Baton Rouge, LA to investigate construction fraud allegations in the Attorney General's office. In 1975, the family moved to New Roads where she opened her private practice in New Roads, LA.

Although Chief Justice Kimball enjoyed success early in her career, she also faced her share of adversity. At one point, she sat down with the president of the bank to discuss borrowing money for her law practice. The bank president informed her that her husband had to sign off on her loan. Chief Justice Kimball said, ''Excuse me—are you not aware of the new law that just passed? My husband does not have to sign a note for me to borrow for my law office.'' She was committed to succeed despite all obstacles.

As a result of her perseverance, Chief Justice Kimball became the first female judge in the 18th Judicial District in Louisiana in 1983. Members of the legal community quickly recognized her talent and potential and in short order, the legal community encouraged her to run for the Supreme Court. Chief Justice Kimball hesitated, saying she loved working as a district judge too much to leave that behind. Nevertheless, she became the first woman elected to the Louisiana Supreme Court in 1992.

Chief Justice Kimball demonstrated strong leadership skills soon after joining the court. In the aftermath of Hurricane Katrina, when then Louisiana Chief Justice Pascal Calogero was evacuated from his home in New Orleans and displaced in Dallas, he turned to Justice Kimball for support. Chief Justice Kimball served as the court's point person and worked with FEMA to get reimbursements and get the courts and lawyers back to work in New Orleans. That was the beginning of a long road ahead as Chief Justice Kimball dealt with Katrina issues for at least the next 5 years.

On January 1, 2009, she became the first female Chief Justice of the Louisiana Supreme Court. As Chief Justice, she strengthened her reputation as a brilliant and tireless advocate for justice. She became known for her work to preserve the judiciary as an equal and independent branch of government and collaborated with the legislature; Republicans and Democrats alike. Most of all, she made her mark by making strides in juvenile justice.

Chief Justice's dedication to juvenile justice developed from understanding

the effects that courts can have on children. Through her work in juvenile justice, she earned the respect of members of the national and local judicial communities. Judith S. Kaye, a retired Chief Justice of New York, said of the Chief Justice, ''She was outstanding in many ways, but for me most of all on the vexing issues concerning juvenile justice. The Chief Justice's ideas and initiatives drew my attention even before she became Chief Justice.'' Sue Bell Cobb, the Chief Justice of Alabama, also praised Chief Justice's work on juvenile justice. ''Children,'' she said, ''do not vote and do not have a voice in arenas in which public policy is made. In Louisiana, Chief Justice Kimball has been their voice.''

In Louisiana, former Louisiana Chief Justice Pascal Calogero said, ''Justice Kimball's contributions to the juvenile justice system, as well as the Judicial Leadership Institute, and other progressive judicial matters, were immeasurable. When she became Chief Justice, I knew that she would become one of the most active and respected chief justices in the history of the court.'' I could not agree more. Chief Justice Kimball has made her mark in history for many reasons, but especially for her work in juvenile justice.

The Chief Justice's accomplishments are of equally important significance for women pursuing legal careers in Louisiana. My sister Madeleine became a State court judge in 2001. When I asked Madeleine what Chief Justice Kimball's career has meant to her, she said, ''When Chief Justice Kimball took her seat among her six white male justices, it had a huge impact on me as a woman lawyer. The grace and dignity and excellence with which Chief Justice has held herself has shown us there are no limits to where we can go. It made such lofty goals not as scary to us anymore.'' Chief Justice Kimball always strives to reach her full potential and encourages others to do the same.

Among Chief Justice's endless list of accomplishments is her creation of the Judicial Leadership Institute in Louisiana. She recognized the important leadership role of a judge as both an employer and as a member of a community. She saw the value of judges of every level being in a room together and learning together. So she took the initiative to organize a training course which meets 7 days a year. This exemplifies so many of Chief Justice Kimball's great qualities—her devotion to the justice system and to the future of our state, her humility and her ability to be a strong leader while simultaneously being part of a team.

As the Chief Justice prepares to retire, I commend her for her years of service to our State and for her unwavering commitment to the Louisiana Constitution. Although she will step down at the end of January, the impact she made on the nearly 4.6 million citizens in our State will live on beyond her retirement, just as the people in that courtroom in New Roads, LA will never forget the day they saw Chief Justice Kimball make history.

RECOGNIZING BERNETTE JOHNSON

Ms. LANDRIEU. Mr. President, I rise today to recognize a trailblazer and role model: Louisiana Supreme Court Justice Bernette J. Johnson. On February 1, 2013, Justice Johnson will become Louisiana's first African-American Chief Justice and only the second female jurist in Louisiana history to hold that office. It is fitting that the first woman elected to the Civil District Court of New Orleans—a woman who has devoted so much of her life to working as an advocate for social justice, civil rights and community organizing—would achieve this historic milestone.

Justice Johnson's commitment to civil rights began in the 1960s, when she began working as a community organizer with the NAACP Legal Defense & Educational Fund. She worked with community groups in Alabama, Mississippi, Georgia, North Carolina, South Carolina, Tennessee and Louisiana, disseminating information about recent school desegregation decisions and encouraging parents to take advantage of newly desegregated schools. Justice Johnson brings a unique perspective to the bench that is informed by principles of justice and equity.

An alumnus of Spelman College in Atlanta, Justice Johnson received her Juris Doctor Degree at the Law School at Louisiana State University, where her portrait now hangs in the Law Center's Hall of Fame. While in law school, she worked at the U.S. Department of Justice examining cases filed by the Department to implement the 1964 Civil Rights Act. These cases primarily concerned discrimination in public accommodations. Following law school, Justice Johnson became the managing attorney with the New Orleans Legal Assistance Corporation, where she provided legal services to over 3,000 clients in socio-economically deprived neighborhoods.

Justice Johnson worked in the Federal and State District Courts advancing the rights of the poor, the elderly, and the disenfranchised, and in the Juvenile Court advancing the rights of children. In 1981, she joined the City Attorney's staff, and later became a Deputy City Attorney for the City of New Orleans. There, she attained extensive trial experience in the Civil District Court and U.S. District Court defending police brutality claims and general tort claims filed against the City of New Orleans. Her experience fighting to protect the rights of the under privileged undoubtedly prepared her for service on the bench.

Justice Johnson began her judicial career in 1984 as the first woman elected to serve on the Civil District Court of New Orleans. There, she took the initiative to establish a system to refer custody, alimony, and child support issues to mediation conducted by certified social workers of the Children's Bureau and Family Services, prior to court appearances. She was elected to the Supreme Court in 1994 and re-elected in 2000. She serves on the Louisiana Supreme Court's Judicial Council, and has served on the Court's Legal Services Task Force, as well as the National Campaign on Best Practices in the area of Racial and Ethnic Fairness in the Courts.

This is a truly a moment to be remembered, not just for the people of Louisiana, but for Americans all across the country. From advocating with the NAACP, to helping implement the 1964 Civil Rights Act, to becoming Louisiana's first African-American Supreme Court Justice, as she has now, Bernette Johnson's life and career is a testament to the spirit of the civil rights movement and the countless Americans who fought tirelessly to open the doors of equality. I congratulate Justice Bernette J. Johnson on a stellar legal and judicial career and thank her for her fighting spirit, commitment to equality, and deep respect for the dignity of all citizens. I have no doubt that she will continue to serve the people of Louisiana well.

RECOGNIZING LEAH CHASE

Ms. LANDRIEU. Mr. President, I rise today to ask my colleagues to join me in recognizing the 90th birthday of the ''Queen of Creole Cuisine,'' Mrs. Leah Chase of New Orleans, LA.

Mrs. Chase was born in Madisonville, LA on January 6, 1923, and moved to New Orleans as a teenager to attend high school. It was in New Orleans that she developed her love for food and feeding others. Mrs. Chase married her husband, Edgar ''Dooky'' Chase Jr., in 1946, and they took over the family business—one of the best-known and most culturally significant restaurants in New Orleans, Dooky Chase's.

Mrs. Chase has cooked for jazz royalty, like Duke Ellington; for heads of state—among them Presidents George W. Bush and Barack Obama; and for the civil rights movement's greatest champions, like Justice Thurgood Marshall and Dr. Martin Luther King, Jr. And though she is well-known for having catered to America's history makers, perhaps her greatest achievement is having quietly created a community where people are taken care of, no matter their situation in life. Mrs. Chase always takes care of those in need. She makes it a point to know not only the names of her patrons, but also their stories. And that feeling of a closely knit community where people look out for each other is why New Orleanians have been dining with Mrs. Chase for three generations. They are family to her, just like her four children, sixteen grandchildren and 22 great-grandchildren.

Mrs. Chase has received too many awards to mention. Among them are the 1997 New Orleans Times-Picayune

Loving Cup Award, which annually recognizes citizens who have worked unselfishly for the community without expectation of public acclaim or material reward; the National Conference of Christians and Jews Weiss Award, which is presented annually to four outstanding community leaders who have been influential in promoting the advancement of social understanding and care; and the National Council of Negro Women Outstanding Woman Award. In addition to earning numerous awards, Mrs. Chase serves on the boards of many non-profit organizations, including the Arts Council of New Orleans, the New Orleans Museum of Art, and the Urban League.

Mrs. Chase has been and continues to be an inspiration to all who know her. It is with a heartfelt sincerity that I ask my colleagues to join me along with Mrs. Chase's family in recognizing the life and many accomplishments of this extraordinary woman.

The PRESIDING OFFICER. The Senator from Pennsylvania.

HONORING OUR ARMED FORCES

PENNSYLVANIA'S FALLEN HEROES

Mr. CASEY. Mr. President, as we confront a whole range of difficult issues at the end of this year and at the end of this Congress, we should also be reminded we have fighting men and women serving for us all over the world.

We think especially tonight of those serving in Afghanistan and those who served prior to that time in Iraq. At various times we have come to the floor and recited the names of those who were killed in action, and tonight I am joined by my colleague Senator TOOMEY to read the names of Pennsylvanians who gave, as Lincoln said, the last full measure of devotion to their country—those who have been killed in action in Afghanistan over the course of parts of 2011 and 2012.

I yield the floor for my colleague, Senator TOOMEY.

The PRESIDING OFFICER. The junior Senator from Pennsylvania.

Mr. TOOMEY. Mr. President, I thank my colleague, the senior Senator from Pennsylvania, for organizing this brief tribute that is so much deserved by the men and women we are acknowledging today.

I wish to begin by extending my deepest condolences to the families, friends, and loved ones of these Pennsylvania heroes whom we are going to acknowledge this evening. In the lives our servicemembers led and the cause for which they died, these folks represent all that is great about America.

Many enlisted right after graduating from high school, and during those very tough and grueling days and weeks in basic training they had probably never heard of places such as Anbar Province in Iraq, the Tangi Valley of Afghanistan or the other areas in those nations where they fought and ended up dying for our country.

But these Pennsylvanians join a long line of soldiers, sailors, airmen, marines, and Coast Guard members who have given the supreme sacrifice to their country, a line that extends well back in the latter part of the 20th century and includes World War II, the Korean war, the Vietnam war, and of course the global war on terrorism.

It is no accident that Pennsylvania has suffered very heavily in this conflict, as it has in other conflicts throughout our Nation's history. I think it is because in towns across the Commonwealth of Pennsylvania, towns and cities such as Dallastown, Easton, Philadelphia, and Erie, there are certain values that are deeply rooted in these communities: importance of family, importance of faith, importance of community, and the importance of public service, including very much the service to this Nation.

The conviction that freedom is worth defending is one of those convictions and the belief that a cause worth fighting for is not just someone else's responsibility. These are the values that have shaped these men and women, their families, their churches and houses of worship, and their communities.

These values were exemplified in the lives of our fallen men and women in service, and they will forever be honored by Pennsylvanians as the native sons and daughters of our great Commonwealth for their service to the country.

I will read the names of the men and women who have made the supreme sacrifice for courage in this conflict, and Senator CASEY will complete the list: PFC David Anthony Jefferson, U.S. Army, Philadelphia; SGT Louis Robert Fastuca, U.S. Army, West Chester; SPC Jesse David Reed, U.S. Army, Orefield; LCpl Abram Larue Howard, U.S. Marine Corps, Williamsport; SPC Dale Justin Kridlo, U.S. Army, Hughestown; SPC Anthony Vargas, U.S. Army, Reading; SSG Sean Michael Flannery, U.S. Army, Wyomissing; GySgt Justin Edward Schmalstieg, U.S. Marine Corps, Pittsburgh; MSG Benjamin Franklin Bitner, U.S. Army, Greencastle; 1LT Demetrius Montaz Frison, U.S. Army, Lancaster; SSG Edward David Mills Jr., U.S. Army, Newscastle; Sgt Joseph Michael Garrison, U.S. Marine Corps, New Bethlehem; Ssgt Patrick Ryan Dolphin, U.S. Marine Corps, Moscow; Sgt Christopher Matthew Wrinkle, U.S. Marine Corps, Dallastown; PO1 Michael Joseph Strange, U.S. Navy, Philadelphia; TSgt Daniel Lee Zerbe, U.S. Air Force, York; SSG Eric Scott Holman, U.S. Army, Evans City; Lt. Col. Christopher Keith Raible, U.S. Marine Corps, North Huntingdon; CPO Nicolas David Checque, U.S. Navy, Monroeville; CDR Job W. Price, U.S. Navy, Pottstown; and finally, MAJ Wesley James Hinkley, U.S. Army, Cumberland City.

I yield the floor to the senior Senator.

The PRESIDING OFFICER. The senior Senator from Pennsylvania.

Mr. CASEY. I thank the Senator for reading the first half of our names, and I will continue with 20 more names: Sgt Derek Lee Shanfield, U.S. Marine Corps, Hastings, PA; SFC Robert James Fike, U.S. Army, Conneautville; SFC Bryan Alan Hoover, U.S. Army, West Elizabeth; Sgt Joseph Davis Caskey, U.S. Marine Corps, Pittsburgh; LCpl Joshua Thomas Twigg, U.S. Marine Corps, Indiana; CPL Joshua Alexander Harton, U.S. Army, Bethlehem; LCpl Ralph John Fabbri, U.S. Marine Corps, Gallitzin; SSG David Jee Weigle, U.S. Army, Philadelphia; Cpl Eric Michael Torbet, Jr., U.S. Marine Corps, Lancaster; CPL Jarrid Lee King, U.S. Army, Erie; SGT Robert Curtis Sisson, Jr., U.S. Army, Aliquippa; PFC John Francis Kihm, U.S. Army, Philadelphia; 1SG Kenneth Brian Elwell, U.S. Army, Erie; SGT Edward William Koehler III, U.S. Army, Lebanon; SSG Brian Keith Mowery, U.S. Army, Halifax; SSG Kenneth Rowland Vangiesen, U.S. Army, Erie; SrA Bryan Richard Bell, U.S. Air Force, Erie; CPT Michael Cean Braden, U.S. Army, Lock Haven; PFC Cameron James Stambaugh, U.S. Army, Spring Grove; and finally, SSG Brandon Robert Pepper, U.S. Army, York, PA.

As I conclude the list of Pennsylvanians who were killed in action over approximately a 2-year time period in Afghanistan—and one of the names that was read was killed in Iraq—we remember and think of them, and obviously we are paying tribute to them on a night like tonight. At the same time, we are also thinking of their families as we pay tribute to them.

I am reminded of the great recording artist Bruce Springsteen. One of his songs was entitled ''You're Missing,'' and the refrain over and over again is ''you're missing.'' He was able to sing, but I won't. The song goes something like this: You're missing when I shut out the lights; you're missing when I close my eyes; you're missing when I see the sunrise.

For all those families out there who lost someone in Afghanistan, Iraq, or in other conflicts, we are thinking of them tonight because they are missing someone in the midst of this end-of-the-year and holiday season. We are remembering them tonight and paying tribute to those they loved and lost and also remembering them in our prayers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

THE FISCAL CLIFF

Mr. CARDIN. Mr. President, it is indeed unique that on New Year's Eve we are in session. We still have some very important business we need to take care of for our Nation. We should not have put our country in this position. We should have acted well before December 31. We all understand that, but it is important that we get this work done in the remaining hours of this term of Congress.

On Thursday, the 113th Congress will take the oath of office and we will start a new Congress. Before that, we must get the work of this Congress finished. At a minimum, we need to deal with the impact of tax rates that would go up for every taxpayer in this country unless we take action before this Congress adjourns.

We need to protect middle-income families. We all talked about it. We know that needs to be done. We need to protect Americans from the tax increases that will take effect for the overwhelming majority of Americans—those who are middle-income taxpayers. We need to do this first and foremost because it would create an incredible burden on working families to pay an extra $2,000 to $4,000 of taxes, and we also need to do it to help our economy. That type of money coming out of the economy through additional tax increases would have a very detrimental impact on our economy, which is coming out of a tough period.

We also need to deal with what we call sequestration. I was listening to the senior Senator from Maryland, chair of the Appropriations Committee, Senator MIKULSKI, talk about the effects of sequestration. She is right. Some people may not understand that term, but what it means is that there will be dramatic cuts in governmental agencies, which will not only affect the performance of those agencies but also the contracts they let to the private sector. It will affect not only our domestic budget but our military budget. She went through a lot of the different impacts it will have, from children who are in jeopardy of losing their support from Head Start, to our researchers being denied the resources they need in order to do work that is vital to our economy.

The bottom line is that if we allow the across-the-board cuts to take effect, it will hurt our economy and hurt the job growth in America. We cannot allow that to happen. I expect that we can get this done before this Congress adjourns on January 2.

We also need to deal with what we call the physician fix of Medicare. We can get that done in this Congress. If not, doctors who treat our seniors and our disabled population will find that there will be almost a 30-percent cut in their physician reimbursement. Many physicians would say they are not going to treat seniors any longer with that type of reduction. We understand that. We need to make sure we take care of protecting the reimbursement rates for physicians in the Medicare system. We need to get that done and can get it done before this Congress adjourns.

We need to extend unemployment insurance. There are millions of Americans who depend on unemployment insurance in a soft economic time. They cannot find jobs. Again, this is not only important for the individuals who would be cut off if we do not extend the benefits, it is also important for our economic recovery.

We also need to extend the farm bill. We have heard the consequences if we don't do that. I had hoped they could pass a bill—which this Chamber passed—over in the House. It is unlikely we can get that done in the next 2 days, so we need to make sure we at least extend the current FARM policies in order to make sure we protect the security of our agricultural community and food prices here in America.

All of that we can get done. Hopefully we can get it done tonight but certainly before we adjourn on January 2. We need to complete that work in order to keep our economy moving and to protect the interests of the people in this Nation. Quite frankly, I don't think there is much disagreement in this Chamber as to the method to get that done.

I am disappointed that we are not dealing with a broader budget framework for our Nation. We should have done that well before now. We should do it for many reasons. For one thing, we need it. We have a deficit that is not controllable. We have to bring our deficit into better control. In order to do that, we need to reduce spending and we need the revenues in order to be able to give the right blueprint for America's future and growth.

We also need to get a broader package done because of predictability. The private sector needs to know what the rules are, and they need to know what the Tax Code and spending programs are going to look like. They need to have the confidence that we have our budget under better control. We should have gotten that done.

I have spoken several times on the floor about how we should have adopted the Simpson-Bowles framework. To me, that was a bipartisan, balanced approach for how we could have gotten out of our fiscal problems. We are not going to be able to get that done in the next 2 days before we adjourn on January 2, but we need to recognize that we need to do that.

I have heard a lot of my colleagues come to the floor to speak, and I have to clarify a couple of points. Simpson-Bowles was basically a $4 trillion, 10-year deficit reduction package. It was booked up as the right approach. Many of us have been asking, how we can get $4 trillion done? Well, it is interesting that with the Simpson-Bowles approach, approximately 60 percent was in spending reductions and about 40 percent was in revenue. That was a balanced way to bring down spending but also bring in the revenues we need in order to get our budget into better balance. That is the proper way to do it.

Since the recommendations of Simpson-Bowles, we have done $1 trillion in deficit reduction in domestic discretionary spending. We have gotten that done. Those budget caps are real, and we are living within those budget caps. Sequestration—these across-the-board cuts—would get another $1.2 trillion of spending cuts done. We should not do it through sequestration, but all of us recognize that we need to find ways to reduce spending further.

I have talked on the floor about how we can get that done, particularly in the health care field. Yes, we have to reduce the cost of Medicare, but the way to do it is to reduce the cost of health care. We would have fewer readmissions to hospitals if we implemented the right delivery system protocols, and we would save money for our economy and Medicare. If we use preventive health care appropriately, people will enter our health care system in a less costly way, with more people insured and less use of emergency rooms. Once again, we save money.

Our committees need to come up with these solutions. It is not going to happen with two or three people getting together and coming up with a package. We need the Senate and its committees to work and come up with the right way to reduce the cost of these programs. I think we can do it basically by making the health care system more efficient, and that is much better than cutting benefits. I hope we can work together to get that done. We need to do that.

Yes, we need revenue. I heard some of my colleagues come here and say: Well, look at all the revenue we are going to get under this supposed agreement that has been talked about, which hopefully we will get as early as tonight. We already made a compromise. The rate at which no American will see any increase in taxes looks as if it will be higher than $250,000. It has been reported it is going to be closer to $400,000. OK. Well, now, what does that mean? That means we are going to get less revenue as a result of this agreement reached tonight. The numbers I have seen—and this may very well change based upon the agreement; hopefully, we are going to have an agreement—but somewhere around $500 billion to $600 billion. That is far short of the $1.2 trillion or $1.4 trillion we have been talking about—the whole—in order to reach that $4 trillion number we all say is the minimum amount we need as per the Simpson-Bowles numbers. So we are going to need more revenue.

Here is the rub, here is the challenge: When we start looking to get more revenue, we are talking about now getting it through tax reform. We all understand we have to reform our Tax Code. It is difficult to do that when we have to produce revenue at the same time because people are looking at trying to do something about rates. Well, since we need the revenue for the deficit reduction package, it will be more difficult.

My point is this: I am disappointed we haven't gotten our work done well before tonight, but it is urgent that we work together, Democrats and Republicans, and get the minimum amount done the American people expect; that is, to make sure tax rates don't go up for middle-income families. We can get

that done. We can get that done as early as tonight. We should avoid the immediate sequestration order because that makes no sense—these across-the-board cuts—and figure out a way we can have a much more orderly process for reducing government spending.

We should make sure Medicare is not jeopardized by having a physician fix done in this compromise. We should make sure for the people who are getting unemployment insurance, to maintain their benefits. And we should extend the farm bill. That we can get done in the remaining hours of this legislative session.

I urge my colleagues to continue to work together. I am hopeful our leaders are negotiating a package that can be brought to the floor as early as tonight, certainly before we adjourn on January 2. If we do that, then I think we have completed as much of our business as we can, as well as setting up for the debate in the 113th Congress which will indeed be challenging. But I urge us to work together and put the interests of the American people first.

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

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

EXTENSION OF MORNING BUSINESS

Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that morning business be extended until 7 p.m., with all other provisions remaining in effect.

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

Mr. WHITEHOUSE. 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.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from North Dakota.

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

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

Mr. HOEVEN. Madam President, I rise this evening to once again address the fiscal cliff. Clearly, the time to debate has come and gone. The simple fact is we need to act and we need to act now.

Earlier today, we heard from the President, and what I heard from the President is that he feels we have the framework for an agreement on taxes. Also, the Senate minority leader has indicated, after his negotiations with the Vice President, that he believes we have the basic agreement on a tax proposal to avoid the fiscal cliff. So let's take that step. Let's address the tax piece. Let's get it done.

Granted, the tax proposal is not the big agreement that will fully address our debt and deficit—an agreement we hope to be able to put together, an agreement I support and one that includes tax reform, bipartisan entitlement reform, and finding savings in the Federal budget. Clearly, these items all need to be addressed, and they need to be addressed on the order of $4 trillion to get our deficit and our debt under control.

That is the type of deal I favor, and it is the kind of deal we have to get to. But if we can't do it all at once, let's do it in pieces. As the old saying goes, even the longest journey begins with a single step. If the first step is this tax deal, let's get going. To break the logjam, let's start with this piece—a tax deal that will ensure taxes are not increased for middle-class Americans. That is something we can and we must do. It does involve compromise. For example, I believe we should extend the current tax rates for all taxpayers. Real revenue comes from economic growth, not higher taxes. By closing loopholes and limiting deductions, we can create a simpler, fairer Tax Code that will help our economy grow.

President Obama, however, has a different view, so we are forced to find common ground. In this case, that means extending the tax rates we can to help as many Americans as possible avoid higher taxes. We also need to fully address sequestration. Sequestration involves automatic spending cuts. Those spending cuts hit the military disproportionately, and I believe they need to be revised. But the pressure to do that kicks in after January 1, and I believe that pressure will serve as a catalyst for Congress to come up with and pass better alternatives.

Also, we must address the debt ceiling, and it must be addressed in a way that reduces spending. We have no choice. We are borrowing 40 cents of every $1 we spend, and that is simply not sustainable. But, again, we have to break the current logjam, and if we can't get all these things done in one package, then let's get started with what we can do. Let's get this tax piece done for as many working taxpayers as possible and immediately move on to the next tax. Quite simply, that is what Americans want us to do.

With that, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. STABENOW. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EXTENSION OF MORNING BUSINESS

Ms. STABENOW. Madam President, I ask unanimous consent that morning business be extended until 9 p.m., with all other provisions remaining in effect.

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

THE FARM BILL

Ms. STABENOW. Madam President, I am here tonight to talk about agriculture and the 16 million people all across our country who have jobs because of agriculture. What I am very concerned about is the way in which an extension is being talked about as part of the larger package this evening that goes against my wishes, the wishes of our committee, the chairman in the House—Chairman LUCAS and I—our four leaders, working together on an extension that works and extends all the programs for agriculture through the end of the fiscal year, giving us time to pass a farm bill. Again, I am very concerned about what I am hearing this evening.

Let me first go back and say how appreciative I am and proud of all of us in the Senate for having passed a farm bill last June. We all know what it did—more reforms than we have seen in decades, $24 billion in deficit reduction. I understand the proposal now—the negotiations going on are attempting to find ways to pay for some provisions in the large package. We sit here with $24 billion in deficit reduction in a farm bill that has reforms in it that support our farmers and ranchers across the country but reforms through consolidation, efficiencies, and cutting subsidies that we have agreed should not be paid, that the country cannot afford to pay to farmers who do not need them. We worked very hard on that. We passed that in June by a large bipartisan vote. We worked together in committee in a bipartisan way.

It is deeply concerning to me that instead of working in a bipartisan way, as we have done throughout this process—even though the House never took up the bill that was passed out of their committee in a bipartisan way, we here have worked in a bipartisan way until now, until this moment, at the eleventh hour, as we are dealing with very important issues—whether we are going to make sure middle-class families do not see tax increases starting tomorrow. And no one has fought harder to make sure the middle-class families of Michigan and across the country get those tax cuts than I have, and we know we need to get things done, but we also need to make sure that in the end we are not putting agriculture farmers and ranchers at a disadvantage in the process.

So we on a bipartisan basis—in the House, in the Senate—worked together, knowing, when it became very clear that the House leadership, the Speaker, had no intention of taking up the farm bill in the House despite the fact that farmers need the certainty of a 5-year farm bill and disaster assistance—when that became clear, we turned to the

next responsible approach, which was to work together on how we could keep in place farm programs, making sure we address what is now being called the dairy cliff in terms of milk prices that over time would go up—not immediately but over time—if nothing is done; disaster assistance; and keep in place the provisions of the farm bill that we passed that we agreed were important for rural communities, for energy security for our country, for jobs, for farmers and ranchers.

Now I understand that the Republican leader has insisted in his negotiations that only part of the farm bill be extended for the next 9 months—not all of it, not all of the pieces that affect rural America and farmers and ranchers, but only part of it. They call that a clean extension because of the way the funding and baseline work. I call that—well, I will not say what I would call it, frankly, except to say that this is bad news for American agriculture and certainly for the people whom I represent in Michigan.

Now, why do I say that? Well, first of all, in our extension, we make sure we keep our commitment on disaster assistance. We passed an important disaster assistance bill a few days ago here in the Senate. I supported that, but agriculture was not in it. The majority of the counties in this country suffering from severe drought, cherry growers in my State being wiped out, other fruit growers having problems—nothing for agriculture. Well, we in our extension make sure for this year and next that livestock and fruit growers have the disaster assistance we passed in the farm bill, and we pay for that.

We also make sure we continue to have an energy title in the farm bill. Now, when we look at getting off of foreign oil and creating real competition, advanced biofuels are doing that. We are now creating jobs across Michigan and America in something called biobased manufacturing, using agricultural products to offset petroleum and other chemicals and products, and we are creating jobs. We are doing that in part through support from the energy title of the farm bill.

The Republican leader's way of extending the farm bill would have zero—there would be no energy title, zero. That is absolutely unacceptable. We also would not see the full conservation title extended, key areas involving protecting land and open spaces that I know Ducks Unlimited and Pheasants Forever and others who hunt and fish care deeply about in terms of protecting our open spaces.

Other areas that protect our land and our water would not be extended under this partial farm bill extension. We would not see critical research for organic or specialty crops that are so important that create almost half the cash receipts in agriculture in the country. We would not see that support continue.

There are multiple things that would not continue, not because we have gone through a process to eliminate them—in fact, 64 Senators in this body voted to continue them, and in some cases to increase funding in those areas while cutting back on the subsidies that we should not be spending money on. But here is what happened under this extension.

The subsidies we agreed to end continue. It is amazing, you know, how it happens that the folks who want the government subsidies find a way to try to keep them at all costs. Not in the light of day. They could not sustain a debate in the committee or a debate on the floor where we voted to eliminate direct payments. But somehow they are able to come back around at the end and keep that government money, even when prices are high, even when no one could look straight in the face of any taxpayer and say they ought to be getting that subsidy.

Yet under the Republican leader's partial extension of the farm bill, those subsidies we voted to eliminate would be fully continued. Now, in our version, agreed to by Chairman LUCAS and me, put on the calendar by Speaker BOEHNER, on the suspension calendar in the House by the Rules Committee in the House, agreed to on the calendar in the House, we would shave a portion of those subsidies to make sure we continued to fund all of the farm bill for the next 9 months until we can once again come together and write a farm bill.

But I have to say, as someone who has been operating in good faith in the committee and on the floor, to find this situation occurring that is not agreed to on a bipartisan basis, not put forward on a bipartisan basis, I find to be absolutely outrageous. It makes you wonder what is going on here. If in the end, the things we agreed to, the things we worked hard to develop into a farm bill that saves $24 billion, at a time when we are—right now people are sitting in rooms trying to decide how to get deficit reduction. We passed something that saves $24 billion in a fiscally responsible way, cutting programs. We cut 100 different programs and authorizations. We went through every single page of the farm bill, which is what we ought to be doing in every part of government to be responsible, to make the tough choices, to set good priorities. We did that.

Now, at the last minute, none of that matters? They are trying to stick in an extension that only extends part of the farm program and keeps 100 percent of the direct subsidies going. That is amazing to me, I have to say. That is absolutely amazing to me. I want to hear someone justify that on the Senate floor.

We are going to hear all kinds of things. Well, the extension involves possibly a budget point of order. This whole bill coming to the floor is going to have multiple points of order that we are going to have to waive. This is not about procedure or budget points of order, it is about whether we mean it when we say we want to reform agriculture subsidies; whether we mean it when we say we care about rural America and farmers and ranchers who want to know that they can have the certainty of a 5-year farm bill and not just limp along.

I can see it coming, limping along, limping along, extension after extension, just like we seem to see happening everywhere here. I thought agriculture was the one area where we were not going to do that. I was so proud when we came together on a bipartisan basis and worked together. Regular order. The leaders, both sides, this is the right way to do things. It was regular order, 73 amendments. We went through it.

Mr. MERKLEY. Would the Senator from Michigan yield for a question?

Ms. STABENOW. I would be happy to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. I thank the leader of the Agriculture Committee, my colleague from Michigan, who has steered this Chamber through such a complex set of issues in trying to address the true agricultural needs of our Nation while spending the taxpayers' dollar efficiently, and, in fact, producing a huge amount of savings in the overall bill.

But I wanted to ask a couple of questions in regard to the points the Senator from Michigan is making. If I understood the Senator right, first, the disaster assistance for America's ranchers and farmers and orchardists that has been approved in the farm bill and sent to the Senate is not in the Republican leader's version that he wants to put through the floor of this Chamber?

Ms. STABENOW. Yes, I would say to my friend and strong advocate on these issues, it is not. Those disaster provisions are not in the extension he has arbitrarily on his own put forward.

Mr. MERKLEY. Just a couple of days ago, due to the efforts the Senator engaged in, and I engaged in and others joined us—Senator BLUNT was very instrumental—we had a debate about putting those emergency provisions into the emergency bill for Hurricane Sandy. I heard the Republican leader of the Budget Committee stand up and say: Don't worry, farmers and ranchers of America, because we are going to get those provisions passed in the farm bill.

But from what I am hearing now, that promise is being broken tonight by the Republican leader?

Ms. STABENOW. If I might respond, yes, that is exactly what is happening. Without consultation with me or with the chairman in the House, we now have a partial extension of the farm bill. These are complex issues that involve a lot of pieces when you try to extend all 12 titles of the farm bill. They not only do not extend all of the titles, but they do not include critical disaster assistance, which, as the Senator knows, our farmers and ranchers have been waiting for across America.

Mr. MERKLEY. So if I can try to translate this for the farmers and ranchers in my State of Oregon and the orchardists and ranchers in the Senator's State, this Chamber committed itself to restoring the emergency disaster program either through the farm bill or through some other mechanism, but we have left them hanging since the fires and the drought of July and August. Since the cold weather problems that occurred a year ago, we have left them hanging without disaster assistance. Now, the promise made a couple of days ago that we get this done in the farm bill is being broken.

How can I possibly explain to my farmers and ranchers that when they had the worst fire in a century, larger than the State of Rhode Island, that burned their fences, burned their forage, burned their cattle, when others had some of the coldest weather that destroyed the crops, how can I explain to them that not only do some of our Republican colleagues, and apparently the Republican leader, consider that not to be a disaster, but the very argument made a couple of days ago to not put it in the Sandy bill is now being thrown aside?

Ms. STABENOW. I would say to my friend and colleague from Oregon, there is no way to explain this. None. There is absolutely no way to explain this other than agriculture is just not a priority. I mean, despite our best efforts and our working together to get something done, it certainly has not been a priority in the House with the Republican leadership. It has been on the committee. I have thoroughly enjoyed working with my counterpart in the House. We have worked together on a bipartisan basis. But we could not even get a bill taken up in the House.

I do appreciate the fact that when they did not act in the House, that they have agreed to do the extension that we put together. At least that is what they were willing to do. I honestly never thought the problem would be here in the Senate because we had passed a farm bill. We passed a farm bill. We passed a farm bill with disaster assistance, with $24 billion in deficit reduction, in a strong bipartisan way, with supportive words in terms of the process from the leaders.

I am so shocked to see that the problem now is here in the Senate with the Republican leader. There is just no excuse for this.

Mr. MERKLEY. The Senator from Michigan has worked over the past year to find a bipartisan strategy to reform elements of the farm bill that we were spending too much money on in certain places and to reform those overly generous subsidies, if you will, and make them kind of fit the circumstances. The Senator saved a lot of money in the process. Am I to understand that the Republican leader has taken those reforms, designed to wisely spend the taxpayers' money in the right places, and has thrown them out the window?

Ms. STABENOW. In this extension that he has proposed, the subsidies, called direct payments, that we have all agreed should not be given during high prices and good times to farmers, extend with absolutely no reductions. They are fully extended for the next 9 months, and who knows how much longer. I am sure the folks who want to have them are going to try to just keep blocking farm bills and doing extensions as long as they can in order to get the money—$5 billion a year—$5 billion a year that we have agreed in taxpayer money should not be spent.

Now, I also want to say, it is not that we do not need to support agriculture. I know my friend agrees with that. Whether it is disaster assistance, whether it is crop insurance, we need to give them risk management tools, conservation tools. We need to make sure we have strong crop insurance. We need to make sure that there is disaster assistance there. But in good times you should not be able to get a government check when prices are high, which is what some in agriculture have been doing and getting and it is wrong, and it is fully continued in what the Republican leader has proposed.

Mr. MERKLEY. I would say to my colleague, I have sat on this floor and listened to lectures of fiscal responsibility and the need to move things and work things in committee before they come to the floor. Now, the work that the Senator did was the best of those two qualities: Everything being done in committee, being in open conversation, dialogue, working on it, bringing it to the floor, having a debate on the floor in front of the American people, in front of our colleagues, complete openness and a complete sense of fiscal responsibility. So are those lectures that I have been hearing about fiscal responsibility and committee process, are they just lectures but no real belief in them?

Ms. STABENOW. If I can say to my colleague, I certainly cannot indicate what the intent is of another colleague. But I will tell you that my mom always said: Actions speak louder than words. So I can tell you that the actions here, the actions that have been occurring, go in the opposite direction, both of supporting farmers and ranchers in a comprehensive way by fully extending the farm bill for the next 9 months and by allowing the complete, 100 percent extension of subsidies that we voted to eliminate.

I can tell you, that does not make any sense to me. It certainly goes against what I have heard over and over on the floor, and I also find it just amazing to me that when we—by passing the farm bill, if the farm bill were included in this agreement, we would have $24 billion more in deficit reduction to be able to report to the American people.

They are saying no. I do not understand that.

Mr. MERKLEY. There is one more piece of this I want to clarify because I am not sure where the minority leader's version came out on this; that is, our organic farmers have gotten a very unfair deal, and that deal was that they were going to be charged extra for their insurance. In exchange they were supposed to get the organic price of a particular crop. We fixed that on the floor of the Senate. We addressed that. We said, no, the Department of Agriculture that was supposed to get the studies done to get the organic prices in place so that the upfront price had the back side as well, we gave them a confined number of years to get that done, to rectify that injustice. Is that now missing from the proposal from the Republican leader?

Ms. STABENOW. Yes. In fact, the organic provisions are not funded, are not extended. So, again, when we look at the future of agricultural choices for consumers, this is not extended.

Mr. MERKLEY. How can one possibly justify charging organic farmers more because they are going to get a higher insurance compensation, but then say they will not get a higher insurance compensation? We are going to take that away?

So it operates as a structural effort to basically take money away from the organic community and give it to the nonorganic community—I mean, complete unfairness in a competitive marketplace. How can one possibly justify stripping that from this extension?

Ms. STABENOW. I would just say to my friend from Oregon that it makes no sense. This is certainly not about fairness. It is not about an open process. I mean, when the Senator mentioned earlier that we had worked in a very open and transparent process, we did. Throughout the committee, throughout the floor, even those who didn't support the farm bill indicated they supported the openness, the due process, the ability to provide amendments, to have them voted on up or down.

Now to take what was the consensus view of what things should look like and basically throw it out the window at the last minute makes me wonder what the motivation is here. What is really going on? All I can see is that in the end, what we have is a situation where the government subsidies we eliminated are extended 100 percent, and those who behind the scenes have been trying to continue to get the government money appear to have been successful, at least with the Republican leader.

Mr. MERKLEY. In closing my part of this colloquy, I want to thank the Senator for clarifying those three points—that the disaster relief is out, that the pork is in, and that the organic farmers are going to continue to get the short end of the stick. It seems to me that is three strikes and you are out. And I didn't even address many of the other points I heard the Senator raising.

The Senator's outrage about this is so deeply justified, and I am certain I

will be standing with her as we try to make sure that the good work done in committee and on the floor of the Senate for fiscal responsibility, for fairness to farmers, for fairness to those who have suffered disasters, for fairness to those who are in the organic or the inorganic world or nonorganic world—that these mistakes, these three strikes-plus, do not carry forth through this Chamber.

I thank the Senator for her leadership.

Ms. STABENOW. Again, I thank the Senator from Oregon for his leadership on disaster assistance, on support for the organic agriculture community, and for others that benefit from his leadership, forestry and other areas. The Senator from Oregon has been a very, very strong leader, and I thank him for his words and for his actions in standing and fighting for the people we are supposed to be fighting for. I mean, the farmers and ranchers across the country, like every other American right now, are shaking their heads: What is going on?

I know there is a lot of work going on to come up with a larger agreement, but for those of us who care about many things but want to make sure agriculture is not lost in this, I am deeply concerned. This is the second largest industry in Michigan. It is the largest industry for many places in the country. Yet I don't see agriculture being the priority it needs to be either on disaster assistance or help for those who have been hit so hard by drought or by an early warmth and then a freeze in the orchards. Where is the willingness to stand and support farmers and ranchers across the country?

Well, I used to be able to say and I have said up to this point: Well, the support was in the Senate, where we passed a bipartisan farm bill and we worked together very closely to do that. But tonight I find that rather than proceeding in a bipartisan way, which has been what we have done, rather than consulting with myself as chair in the Senate and Chairman LUCAS in the House, we see that a proposal which neither one of us has put forward or supported and which is adamantly opposed by many people is now being offered as the approach to extend part of the farm bill, picking and choosing arbitrarily what should be extended and not, not doing disaster assistance, and not being willing to shave off even 2.5 percent of these government subsidies in order to be able to fully fund an extension for the next 9 months—2.5 percent. Mr. President, 2.5 percent is directing us, is what we are talking about in order to be able to extend critical, important priorities for people across the country. This is for consumers, for farmers, for ranchers, for people in this Chamber. I can only assume, based on what I see, that this is the effort of the group that has been trying very hard to make sure that their subsidies continue and that they continue unabated 100 percent, and this is their opportunity.

When we are trying to do deficit reduction, which I find amazing this is in the context of a deficit reduction package—and I am still going to be looking to see where the deficit reduction is. But the deficit reduction package—it will not accept $24 billion in savings in agriculture. Now, instead, it puts in place policies that will take us in the exact opposite direction. It is very, very unfortunate.

I have been spending the day expressing grave concerns. I will continue to do that. There is absolutely no reason this can't be fixed before the proposal comes to this body. It absolutely can be fixed. People of good will in agriculture have worked together every step of the way, certainly in this Chamber. We can continue to do that if there is a desire to do it. I hope there is because there is a tremendous amount at stake.

Let me say again that 16 million people across our country pay their bills because of income they receive through agriculture or the food industry. Small farmers and large farmers want the certainty of a 5-year farm bill, and they also want to know we are working together with their interests in mind. I hope we can still see that happen.

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

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

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Illinois.

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

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 8:15 p.m., recessed subject to the call of the Chair and reassembled at 1:22 a.m. when called to order by the President pro tempore.

The PRESIDENT pro tempore. The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. I ask unanimous consent that the period of morning business for debate only be extended until 1:35 a.m. today, with Senator HARKIN being the person who will be speaking. When he finishes his speech, I ask that I then be recognized.

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

The Senator from Iowa.

THE FISCAL CLIFF

Mr. HARKIN. Mr. President, over the last few decades, the real middle-class families in America—and when I say ''real middle class'' I mean those who are making $40,000, $50,000, $70,000, not $400,000 a year—have seen their jobs become more insecure and their wages stagnate. In fact, their income adjusted for inflation is less now than it was in the late 1990s. Their savings and pensions have shrunk or disappeared.

The cost of education has soared at the same time as the wealthiest Americans and large corporations grow ever richer and pay less and less in taxes. For example, just take dividends. Prior to 2003, dividends were always taxed as ordinary income. Now they are taxed at a less rate than the capital gains rate. Income of hedge fund managers is taxed at a lower rate than middle-class families—the so-called carried interest rule.

The share of our Nation's wealth going to corporate profits has been rising as the share going to wages and salaries is declining. This has led bit by bit, Tax Code change by Tax Code change, pension cuts by pension cuts, job outsourcing by job outsourcing to an economy that is out of balance, that threatens the very fabric of our society. That is because the gap between the rich and the real middle class grows ever wider. That is because our economy is driven from the middle out and not from the top down.

Our economy is driven by middle-class families with good jobs and money in their pockets to spend. So our first goal must be to put Americans back to work and to get our economy moving, to rebuild the real middle class now.

The average American across our land tonight—today—probably thinks what we are about here is just that, to solve our country's most pressing problem—creating new jobs, laying the foundation for future economic growth and, thus, reducing our deficits in the long term. But instead we are here tied in knots to avert a manufactured fiscal cliff which could have been avoided 6 months ago by the House passing S. 3412 to avert the tax hikes on 98 percent of Americans.

As I have said repeatedly, I will evaluate any such fiscal cliff legislation on how these proposed policies affect working families and the real middle class—again, the real middle class being those making $30,000, $50,000, $60,000, $70,000 a year. So I am disappointed to say, in my opinion, this legislation we are about to vote on falls short.

First, it does not address the No. 1 priority: creating good middle-class jobs now. Unemployment remains way too high. This bill should include direct assistance on job creation makers; for example, our infrastructure, education, and job retraining. How many jobs we see out there going wanting because people aren't trained for those jobs; yet we don't have enough money to put into job retraining. The legislation before us neglects our most pressing concern at the present time, and that is

the lack of jobs and the lack of qualified people to fill those jobs.

Secondly, this proposal does not generate the revenue necessary for the country to meet its needs for everything from education to job training, infrastructure, and research and development. The idea that people earning $300,000 to $400,000 a year could not pay the taxes they paid in the 1990s when the economy was booming is just plain absurd. But that is what we are being told; that people who make $300,000 or $400,000 simply cannot pay the same taxes they would have been paying in the Clinton years.

Furthermore, these wealthiest Americans made a lot of money in the last decade. So what do we do? Now we are raising the estate tax exemption to $5 million. It was $1 million under the Clinton tax years. Now the few who are really wealthy, who made a lot of money, and who have accumulated this wealth, we now have raised the estate tax so they can pass it on without any of that gain ever being taxed because the heirs now get it with what they call a stepped-up basis. So none of that is taxed.

So what we see, then, are the few who are wealthy getting more and more wealthy. So wealth becomes even more concentrated under this system.

Now, some will say: What is the problem? You want to protect the middle class. They are in this bill. How can you object if some higher income individuals are protected as well? Well, I point out these are not unrelated matters. With government investments and government spending dropping, being squeezed every year by my conservative friends on the other side of the aisle, and with deficits remaining high, every dollar of sacrifice the wealthy forego is a sacrifice we will later be asking of real middle-class, modest-income Americans. Every dollar the top 2 percent of taxpayers do not pay under this deal, we will eventually ask folks of modest means to forego—to forego on Social Security or Medicare or Medicaid or Head Start benefits or other items that benefit the real middle class.

I believe it is gravely shortsighted to look at these issues in isolation from each other, especially since the Republicans have made crystal clear that they intend to seek mandatory spending cuts just 2 months from now using the debt limit as leverage.

No. 3. Why in this deal do we make the tax benefits for the rich permanent while the progressive tax benefits we put in place in 2009 to help people of modest means—why are those temporary? For example, the estate taxes that benefit the wealthiest are made permanent. The earned-income tax credit that affects the lower income, that is temporary. The income tax rates that are set now are going to be made permanent to benefit higher income individuals, but the child tax credit is made temporary. The AMT fix is made permanent, but the American opportunity tax credit for modest families to be able to afford to send their kids to college is made temporary.

In this deal we are about to vote on, logic is turned on its head. We provide permanent benefits to those who need it the least, and yet this deal sunsets the modest assistance to middle-class families—again, I repeat, middle class, real middle class; not $400,000-a-year middle class, I mean the real middle class.

I think it is quite telling that earlier this last evening, Grover Norquist said he is for this bill, but our former Secretary of Labor Bob Reich is opposed.

So maybe now I guess we are all believers in trickle-down economics. Not I. I guess we now redefine the middle class as those making $400,000 a year when, in fact, that represents the top 1 percent of income earners in America, not the middle class. So I guess that we now accept as normal practice in reaching bipartisan deals that the most vulnerable in our country, such as those who are out of work and who depend on unemployment benefits, can be held hostage as a bargaining tool for more tax breaks for the richest among us.

I am not saying that everything in this deal is bad. There are some good parts. But I repeat, I am concerned about this constant drift, bit by bit, deal by deal, toward more deficits, less job creation, more unfairness, less economic justice—a society where the gap grows wider between the few who have much and the many who have too little.

Mr. President, for these reasons, I must in conscience vote no on this bill.

The PRESIDENT pro tempore. The majority leader.

JOB PROTECTION AND RECESSION PREVENTION ACT OF 2012

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 8; that the substitute amendment, the text of which is at the desk, be agreed to; that there be 10 minutes of debate equally divided between the two leaders prior to a vote on passage of the bill, as amended; that there be no other amendments in order prior to the vote; that there be no points of order in order to the substitute amendment or the bill; finally, that the vote on passage be subject to a 60-vote affirmative vote threshold.

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

The Senate proceeded to consider the bill.

Mr. REID. Mr. President, very quickly, we have worked really hard this week. We Senators had to be here and are happy to be here, but there are four individuals who didn't have to work this week, but they volunteered to do so. These four pages have kept this place operating by helping floor staff and us. They could be home with their families and friends enjoying the holiday. Instead, they are here.

We have 18-year-old Jarrod Nagurka, of Arlington. He gave up his winter break to be here; Twenty-two-year-old Priscilla Pelli of Washington, DC, is a staff assistant in my office. She has devoted her time here. Twenty-two-year-old Erin Shields of Takoma Park, MD, is an intern in my office. And 16-year-old Gwendilyn Liu of Kaneohe, HI, the only remaining current page, skipped her winter vacation to help here. I want the record to reflect our deep appreciation for them, and I wish them the very best in their future endeavors.

Mr. President, working through the night and throughout today, we have reached an agreement with Senator MCCONNELL to avert tax increases on middle-class Americans.

I have said all along that our most important priority was to protect middle-class families. This legislation does that. Middle-class families will wake up today to the assurance that their taxes won't go up $2,200 each. They will have the certainty to plan how they will pay for groceries, rent, and car payments all during next year. The legislation also protects 2 million Americans who have lost their jobs during the great recession from losing their unemployment insurance.

I am disappointed that we weren't able to make the grand bargain that we tried to do for so long, but we tried. If we do nothing, the threat of a recession is very real. And passing this agreement does not mean the negotiations halt—far from it. We can all agree there is more work to be done. I thank everybody for their patience today—and they have had a lot of patience.

I also thank my friend the Republican leader, Senator MCCONNELL, for his hard work to reach this bipartisan agreement. It has been difficult and very hard. As we have said before, Senator MCCONNELL and I out here do a lot of talking to each other; we kind of go over everybody's head. But he and I know that when the talk is done out here, we work hard to try to help this country. So he is my friend, and I appreciate very, very much the work he has done.

For example, this bill cuts $4 billion in fiscal year 2013 and $8 billion in fiscal year 2014. These are real cuts that are in this bill.

I hope the new year will bring a new willingness on the part of the House Republicans to join Democrats in the difficult but rewarding work of governing. The Speaker has said all along that he was waiting for the Senate to act. The Senate soon will act. Now, I hope for America that the Speaker will allow the full House of Representatives to vote on this bipartisan legislation.

The PRESIDENT pro tempore. The Republican leader.

Mr. MCCONNELL. Mr. President, I wish to thank my good friend the majority leader for his kind words and thank everyone for their patience and their counsel throughout this process.

I also thank the Vice President for recognizing the importance of preventing this tax hike on the American

people and stepping up to play a crucial role in getting us there. It shouldn't have taken us this long to come to an agreement and this shouldn't be the model for how we do things around here, but I appreciate the Vice President's willingness to get this done for the country.

I know I can speak for my entire conference when I say we don't think taxes should be going up on anyone, but we all knew that if we did nothing, they would be going up on everyone today. We weren't going to let that happen. Each of us could spend the rest of the week discussing what a perfect solution would have looked like, but the end result would have been the largest tax increase in American history.

The President wanted tax increases, but thanks to this imperfect agreement, 99 percent of my constituents will not be hit by those hikes. So it took an imperfect solution to prevent our constituents from very real financial pain. But, in my view, it was worth the effort.

As I said, this shouldn't be the model for how we do things around here, but I think we can say we have done some good for the country. We have done some good for this country. We have taken care of the revenue side of this debate, and now it is time to get serious about reducing Washington's out-of-control spending. That is a debate the American people want. It is the debate we will have next, and it is the debate Republicans are ready for.

Mr. REED. Mr. President, I want to address the bill before us tonight. Despite the best efforts of Senate Democrats to strike a balanced and fair compromise—to avert tax hikes on Americans making less than a quarter of a million dollars, to avert the expiration of unemployment insurance, to avert the damaging automatic spending reductions—we instead have before us a package that is at best a half-measure. This is not how we should govern.

However, the bill before us is better than the alternative facing millions of Americans. If we do not act, taxes for the middle-class will rise tomorrow, support for unemployed workers will lapse, Rhode Islanders will be hurt, and our economic recovery could suffer another Republican induced economic setback.

Unless this bill is signed into law, starting January first, taxes rise on every American and hundreds of thousands middle-income Rhode Island families will see their taxes increase by an estimated $2,200 in 2013. Rhode Islanders numbering 37,000 would lose a tuition tax credit to help them pay for college and 103,000 Rhode Island families raising children would see an average tax increase of $1,000 because they would no longer qualify for the Child Tax Credit. The economy is tough enough for most Rhode Islanders, and they shouldn't be asked to absorb a hit like that due to the stubbornness of the other side of the aisle.

This bill will also continue unemployment insurance for 2.1 million Americans and almost 9,000 Rhode Islanders. Without a continuation of unemployment insurance, millions of Americans actively seeking work will suffer a debilitating economic blow. People will lose their homes and be unable to put food on the table, as they lose one of the few lifelines they and their families have as they look for work in a tough economy. Neighborhood businesses would have taken a hit as well. An estimated $48 billion in economic activity will be sapped from our recovery and one of our most effective counter-cyclical economic policies would have been lost.

It is a sad truth, but the middle-class tax cuts and unemployment insurance were being held hostage by my Republican colleagues in order to secure even more generous tax cuts for the wealthy. So at least with the permanent extension of tax cuts for the middle-class and a one-year continuation of unemployment, that immediate threat is gone.

However, it is outrageous that this threat has been taken this far and that my Republican colleagues continue to demand a perpetuation of an unfair tax code that is tilted towards the wealthiest.

So I remain committed to reforming the tax system so it is fair for all Americans. I remain committed to ending egregious loopholes that result in absurd and unfair results, like a private equity partner paying a lower tax rate than a janitor.

I do want to stress that, despite Republican demands for big cuts in the social safety net, this bill protects Social Security, Medicare, and Medicaid beneficiaries. Such beneficiary cuts would have made this package even more unbalanced and unfair. Unfortunately, it appears that Republicans are already planning to hold the debt ceiling hostage in order to cut Social Security, Medicare, and Medicaid. Today they will insist on additional tax breaks for the wealthiest Americans, especially estate tax cuts, but then demand that we cut Social Security, Medicare, and Medicaid to cover these and other debts. I will work to prevent such callous efforts.

I am deeply disappointed by the package before us today. I believe the White House should have stood firm on reducing the deficit by nearly $1 trillion and let income tax rates for those making over a quarter of a million dollars revert to Clinton-era levels. I am disappointed with Republican intransigence and the prospect of once again being on the brink of a manufactured economic catastrophe in order to secure tax preferences for millionaires and billionaires and attempting to pay for them by cutting Social Security or programs that benefit middle-income Americans.

In the coming weeks, I hope Republicans will drop their attempts to cut the deficit on the backs of the middle-class and seniors, and instead work with us to craft a fair and balanced compromise that strengthens, not endangers, our economic recovery.

Mr. President, I yield the floor.

THE PRESIDENT pro tempore. The majority leader.

Mr. REID. Mr. President, the vote will start immediately, and people should get here as quickly as they can.

The PRESIDENT pro tempore. Under the previous order, amendment No. 3448 is agreed to.

The text of the amendment is printed in today's RECORD under (''Text of amendments.'')

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second? There appears to be a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from South Carolina (Mr. DEMINT) and the Senator from Illinois (Mr. KIRK).

The PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 89, nays 8, as follows:

[Rollcall Vote No. 251 Leg.]

YEAS—89

Akaka	Franken	Murkowski
Alexander	Gillibrand	Murray
Ayotte	Graham	Nelson (NE)
Barrasso	Hagan	Nelson (FL)
Baucus	Hatch	Portman
Begich	Heller	Pryor
Bingaman	Hoeven	Reed
Blumenthal	Hutchison	Reid
Blunt	Inhofe	Risch
Boozman	Isakson	Roberts
Boxer	Johanns	Rockefeller
Brown (MA)	Johnson (SD)	Sanders
Brown (OH)	Johnson (WI)	Schatz
Burr	Kerry	Schumer
Cantwell	Klobuchar	Sessions
Cardin	Kohl	Shaheen
Casey	Kyl	Snowe
Chambliss	Landrieu	Stabenow
Coats	Leahy	Tester
Coburn	Levin	Thune
Cochran	Lieberman	Toomey
Collins	Lugar	Udall (CO)
Conrad	Manchin	Udall (NM)
Coons	McCain	Vitter
Corker	McCaskill	Warner
Cornyn	McConnell	Webb
Crapo	Menendez	Whitehouse
Durbin	Merkley	Wicker
Enzi	Mikulski	Wyden
Feinstein	Moran	

NAYS—8

Bennet	Harkin	Rubio
Carper	Lee	Shelby
Grassley	Paul	

NOT VOTING—3

DeMint	Kirk	Lautenberg

The PRESIDENT pro tempore. A 60-vote threshold having been achieved, the bill, as amended, is passed.

The PRESIDING OFFICER (Mr. MANCHIN). The majority leader.

Mr. REID. Mr. President, we don't expect any more votes today, no more votes today. We want to wait and see what the House does on Sandy, and I think whatever we do on Sandy will have to be done by unanimous consent anyway, so I wouldn't expect any votes until we come back here and reconvene on January 3, the day after tomorrow.

Mr. PRYOR. 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. PRYOR. Mr. President, I ask unanimous consent that the title amendment with respect to H.R. 8, which is at the desk, be agreed to.

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

The amendment (No. 3450) was agreed to, as follows:

Amended the title so as to read:

An Act entitled the ''American Taxpayer Relief Act of 2012''.

MORNING BUSINESS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

REMEMBERING DAVE BRUBECK

Mrs BOXER. Mr. President, I ask my colleagues to join me in honoring Dave Brubeck, the iconic jazz musician and composer who defined and popularized modern jazz during a pioneering career that spanned seven decades. Mr. Brubeck passed away on December 5, a day before his 92nd birthday, in Wilton, CT.

Dave Brubeck was born in Concord, California, on December 6, 1920. When he was 11, Dave's family moved to the town of Ione in the rolling Sierra foothills of Amador County, where his father, Pete, managed a cattle ranch, and his mother, Elizabeth, a classically-trained pianist, taught Dave and his two brothers how to play various musical instruments. Although his poor eyesight kept him from reading music, this determined young musician learned mostly by listening, and his abundant musical talents made him a popular feature at local events by the time he was a teenager.

At the College of the Pacific, Dave initially studied veterinary medicine before switching to music after one year. It was there that he met Iola Whitlock, a schoolmate who became his wife in 1942. Almost immediately upon graduation, he was drafted into the Army, where his standout performance as part of a travelling Red Cross show prompted a commanding officer to assign him to form a band to play for the troops in combat areas. He recruited black and white musicians to play together in his 18-piece band, the Wolfpack Band.

After the war, Dave returned home to study music on a GI bill scholarship at Mills College under the tutelage of French composer Darius Milhaud. During this period, he met the musicians who would later form the Dave Brubeck Quartet. With Mr. Brubeck at the helm, the quartet's unique and groundbreaking style earned wide acclaim and a legion of fans from across the country, and eventually from around the world. In 1954, in recognition of his fame and prodigious talents, he was featured on the cover of Time Magazine. In 1959, the quartet's recording of ''Take Five'' became the first jazz single to sell a million copies. Over the years, he would produce other iconic jazz hits such as ''Time Out'' and ''It's a Raggy Waltz,'' record more than a hundred albums, and even write two ballets.

A man of strong convictions, Mr. Brubeck used his musical gifts and celebrity to stand up for principles and causes in which he believed. In 1958, at the invitation of the U.S. State Department, he led the quartet on a good will tour that introduced jazz music to countries and audiences behind the Iron Curtain and in the Middle East. That same year, he refused to tour in South Africa when promoters insisted that his band be all white.

Mr. Brubeck performed for eight presidents and composed the entrance music for Pope John Paul II's 1987 visit to Candlestick Park in San Francisco. He was named a Jazz Master by the National Endowment for the Arts and received a Kennedy Center Honor for his contribution to American culture. His alma mater, now known as the University of the Pacific, established the Brubeck Institute to further his lifelong work and goal to use the power of music to ''transform lives as well as to enlighten and entertain.''

On behalf of the people of his home state of California, I extend my deepest sympathies to Dave Brubeck's wife of 70 years, Iola; sons Darius, Chris, Dan and Matthew; daughter Catherine Yaghsizian; 10 grandchildren; and four great-grandchildren. Dave Brubeck was an American treasure, and he will be dearly missed.

ADDITIONAL STATEMENTS

CELEBRATING THE 75TH ANNIVERSARY OF THE HAWAIIAN ROOM

• Mr. AKAKA. Mr. President, I rise today to recognize and celebrate the 75th anniversary of the opening of a historic and famously popular Manhattan attraction—the Hawaiian Room at the Hotel Lexington in New York City. Throughout its 30 years of quality cultural performances, its authentic and captivating shows were widely praised for giving audiences not only an exotic, entertaining experience, but also a raved off-Broadway production, not to be missed.

In the 1930s, the newly built Hotel Lexington at 48th and Lexington in New York City was an impressive hotel and with prestige and grandeur. At the cost of $5 million to build in 1929, the iconic hotel became an instant favorite for global leaders, celebrities, business executives, and some of America's most famous sports icons including Joe DiMaggio, who famously lived in a penthouse suite during his whole career playing for the Yankees.

The manager was Charles Rochester, and in the late 1930s, he decided to open a Hawaiian-themed room in a large unused area of the hotel to try and attract new uppercrust business to his establishment to help with ''the bottom line.'' At the time, Hawaiian and Polynesian cultures were growing in popularity and interest across the country. However, the creation of the Hawaiian Room was still a bold move not only because of the Great Depression, but also an increasingly complicated global scene as world conflicts were escalating in both Asia and Europe. Nevertheless, on June 23, 1937, the Hawaiian Room opened its doors for the first time.

The Hawaiian Room found success for an unprecedented 30 years straight in its presentation of Hawaiian culture and aloha, with the unique music and indigenous hula as its foundation. The room became a gathering place for many with Hawaii ties to share the knowledge and influence of the Hawaiian culture throughout the East Coast and the world. The venue became ''the place to be'' for celebrities in New York City, and it was the people who worked in the Hawaiian Room who made it such a success. Because of their talents, island ways, and authentic aloha many were able to enjoy a piece of Hawaii, even if they were on another ''island'' 5,000 miles away.

Recently, I was fortunate to meet with some of the gracious ladies who performed at the Hawaiian Room so many years ago. Their stories and spirit of aloha embody the qualities that made the Hawaiian Room so great for so many years.

I would like to commend TeMoana Makolo, Hula Preservation Society, and the dozens of Hawaiian Room members who worked in the room during its 1937–1966 run for their partnership and efforts in creating the Hawaii Room Archive to perpetuate this great piece of Hawaii's history. The oldest living former Hawaiian Room member is Tutasi Wilson at 98 years old, who was a featured dancer at the Hawaiian Room in the 1940s and 1950s.

Living members include Leonani Akau, Pua Amoy, Leilehua Becker, Iwalani Carino, Martha Carrell, Loma Duke, Wailani Gomes, Mamo Gomez, Mealii Horio, Mona Joy, Leialoha Kaleikini, Leialoha Kane, Manu Kanemura, Ed Kenney, Nona Kramer, Nani Krisel, TeMoana Makolo, Tautaise Manicas, Torea Ortiz, Olan Peltier, Vicky Racimo, Io Ramirez, Alii Noa Silva, Kaui Virgeniza, Tutasi

Wilson, and Janet Yokooji. Each has personally contributed to development of the first Hawaiian Room Archive by contributing their stories and personal photos to this new educational resource.

Many other esteemed Hawaiian Room members have passed on, including Alfred Apaka, Aggie Auld, Keola Beamer, Mapuana Bishaw, Eddie Bush, Johnny Coco, Leilani DaSilva, Ehulani Enoka, Leila Guerrero, Ululani Holt, Meymo Holt, Keokeokalae Hughes, Clara Inter ''Hilo Hattie,'' Andy Iona, Alvin Isaacs, Momi Kai, George Kainapau, Sonny Kalolo, David Kaonohi, Nani Kaonohi, Ray Kinney, Kui Lee, Sam & Betty Makia, Lani & Alfred McIntire, Pualani Mossman, Tootsie Notley, Lehua Paulson, Telana Peltier, Luana Poepoe, Dennie Regor, and Jennie Napua Woodd. All were legendary talents in their own right, and also contributed to making the Hawaiian Room the success it was.

Although the Hawaiian Room was in New York, it played an ever important role in the spread of Hawaiian culture across the continental United States, as well as the development of Hawaii's major industry—tourism. The nightly exposure of business executives, celebrities, and New York's working men and women to the Hawaiian songs, sceneries, and hula at Lexington Hotel was sure to have put dreams of a Hawaii vacation in the minds of more than a few over the years.●

GRANDMASTER HONG LIU

● Mr. AKAKA. Mr. President, as I reflect back on my 36 years of service in Congress and the Senate, I realize how fortunate I was to be mostly healthy. As we age, we pay more attention to our health. The challenge is how to maintain good health.

It was after I was struck in the shin by a stray golf ball on a Virginia course that I met a Chinese Grandmaster who introduced me to an ancient Chinese methodology for maintaining good health. This methodology was developed and tested over thousands of years—it was the ancient practice of natural healing using Qi Gong.

Grandmaster Hong Liu was born in Shanghai, China. His Mother was the director of medical care and hospitals in Shanghai. As a result of being raised in a health-oriented environment, he enrolled in the Military Medical College to become a doctor of Western medicine.

His home was always filled with visitors from the health industry, doctors, and even healers who practiced Traditional Chinese Medicine or TCM as it is popularly known today. Whenever the Qi Gong masters visited his Mother, crowds of sick people would gather seeking treatment. He would watch intently as these people were treated by those masters.

Grandmaster Hong became interested in one of the healers who lived outside of Canton high up on a mountain in a cave, Master Kwan. During the time of the Cultural Revolution, Chairman Mao's wife banned all ancient medical traditions—healers escaped imprisonment by living in remote caves in high mountains outside the cities. This interest in ancient Traditional Chinese Medicine conflicted with his role as an army officer practicing in a military hospital. All doctors were scheduled for duty in the hospitals and were expected to perform routine duties. His days were scheduled with long hours of patient care leaving very little spare time. Medical doctors who did not perform their duties and who did not work diligently were reprimanded and sometimes demoted. For 8 years, he spent all of his spare time studying Qi Gong and traditional Chinese medicine under Master Kwan. This meant taking the train to Canton and then traveling many miles outside the City to a mountain called Golden Cock to get to Master Kwan's cave. Grandmaster Hong or Master Hong became an apprentice of Master Kwan and then became a Qi Gong Master in 1979. Grandmaster Hong came to the United States in 1990 and has practiced Traditional Chinese Medicine.

Getting back to that golfing incident, I did not worry much about the golf injury after icing it because it seemed to have healed. It was not until a week later when I flew back to Hawaii and was at my physician's office for a regular checkup that it was discovered the inside of the wound had not healed and was infected. My physician prescribed treatment for the infection, but a family friend asked if I would consider additional treatment in complement with my physician's medical care. This was my introduction to natural healing and to Grandmaster Hong Liu, we call him Master Hong, who is a Grandmaster of Natural Healing, which includes Feng Shui, herbs, exercise, martial arts and nutrition. This introduction was the start of a remarkable journey for me into the world of natural healing using proper breathing, movement through exercise, and nutrition to nourish and heal.

This natural healing method seemed too simple, but what I learned over time was that illness occurs when the natural flow or circulation of the energy canals or pathways in our body are blocked, but this can be remedied again with proper breathing, exercise, and eating nutritionally. Injuries to the body are remedied in the same manner with the addition of herbs. The Qi of Qi Gong is that natural energy that runs through those canals in our body like blood flows through veins. That energy is what keeps us living, and if that Qi is circulating property or flowing freely, then we are healthy. The simple ''science'' of Natural Healing is viewed as an approach to remove the blockages that occur when the energy does not flow freely and balance the internal organ energy. The ultimate goal in Traditional Chinese Medicine is balance—the body should be balanced naturally—seems simple.

Master Hong has not only been good to me—he is good to the people of Hawaii. He has held free seminars and events. His foundation holds free, weekly senior programs because he recognized the demographics of the aging population, its rapid growth globally, and the issues with affordable healthcare. He developed and offers a weekly self-healing program for seniors that includes exercises and nutritional information for them to get healthy and stay healthy. For the past 9 years, he's given immunity events to the community. People attend these events to get free patches to help boost their immunity systems. The immunity events are held on the hottest and the coldest days of the year because those are the most potent days for the effectiveness of those patches. The events originally started out as asthma events since Hawaii has had 30 years of volcanic activity which affected the respiratory systems of many Islanders. Those asthma events evolved into the bigger bottom line picture or the source of the problem which is the immunity system.

Master Hong is the founder of the Natural Healing Research Foundation in Hawaii. The foundation is his basis for advancing remedies for the major diseases affecting humanity by promoting the time honored natural healing practices of Eastern medicine in complement with Western medicine to attain that goal. The marvel of the remedies of natural healing is that it offers simple yet effective healing programs that work with conventional practices and have no side effects. The foundation reaches out to the community providing information and training in disease prevention and offering proactive solutions to maintain optimal health.

Master Hong was proclaimed a ''Living Treasure'' not only in his homeland of China but also in the State of Hawaii because of his research of various diseases, cancer, drug addictions, diabetes, obesity, and heart disease to name a few, and his devotion to teaching preventive health care. He has also authored ''The Healing Art of Qi Gong'' by Warner Books.

The basic simpleness of all of this knowledge is that this energy is all around us, but you need to work at keeping the movement of this energy moving or circulating in order to be healthy and balanced. I learned that foods of a certain color were specific to different organs. Foods white in color, mushrooms, ginger, garlic are for the lungs and skin, while foods that are black in color, black beans, black sesame, seaweed, are for the kidneys.

There is so much that I have learned from Grandmaster Hong Liu, and there is more learning to be done when I get back to Hawaii. What I do know is that the Traditional Chinese Healing methods he used in complement with my regular physician improved my health.

I will continue to learn from this Grandmaster, and I continue to be

grateful for my health and wellbeing. It has been about 8 years of learning and exercising and eating right for me, but in that time I have seen an industry boom in natural health care and products—what a coincidence. All of this makes me more aware of how fortunate and timely my meeting Grandmaster Hong Liu was to promote the balance and wellbeing in my life. Thank you, Grandmaster Hong for what you have done not only for me but for the people of Hawaii.●

CONCORDIA UNIVERSITY WOMEN'S VOLLEYBALL CHAMPIONS

● Ms. KLOBUCHAR. Mr. President, today I wish to recognize and congratulate the women's volleyball team of Concordia University in St. Paul, MN, for winning their sixth consecutive NCAA Division II championship. On December 8, 2012, the Golden Bears bounced back from a two-set deficit to defeat the University of Tampa and secure the national title.

The team has an incredible record of success, winning the national championship every year since 2007—a title streak that matches the NCAA record in all divisions. They have clinched 36 NCAA tournament matches in a row, and have won 44 out of 48 matches in 10 tournament appearances. Brady Starkey, who has coached the team for a decade, has led the team to victories in six out of seven tournament matches.

I would especially like to recognize the team's All-Americans—Ellie Duffy, Cassie Haag, Kayla Koenecke, and Amanda Konetchy, all four of whom were named to the all-tournament team. Ellie Duffy was also selected to the Academic All-American Division II Volleyball team.

The women of Concordia University's volleyball team are part of Minnesota's long tradition of excellence in college athletics and they make our State proud. I want to commend the team on their hard work and outstanding achievements this season and wish them success in many seasons to come.●

MESSAGES FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 3202. An act to amend title 38, United States Code, to ensure that deceased veterans with no known next of kin can receive a dignified burial, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3159. An act to direct the President to establish guidelines for United States foreign development assistance, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 4057) to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to develop a comprehensive policy to improve outreach and transparency to veterans and members of the Armed Forces through the provision of information on institutions of higher learning, and for other purposes, without amendment.

At 1:54 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 3666. An act to amend the Animal Welfare Act to modify the definition of ''exhibitor''.

ENROLLED BILLS SIGNED

At 5:53 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 3202. An act to amend title 38, United States Code, to ensure that deceased veterans with no known next of kin can receive a dignified burial, and for other purposes.

S. 3666. An act to amend the Animal Welfare Act to modify the definition of ''exhibitor''.

H.R. 3263. An act to authorize the Secretary of the Interior to allow the storage and conveyance of nonproject water at the Norman project in Oklahoma, and for other purposes.

H.R. 3641. An act to establish Pinnacles National Park in the State of California as a unit of the National Park System, and for other purposes.

H.R. 4057. An act to amend title 38, United States Code, to direct the Secretary of Veterans Affairs to develop a comprehensive policy to improve outreach and transparency to veterans and members of the Armed Forces through the provision of information on institutions of higher learning, and for other purposes.

H.R. 4073. An act to authorize the Secretary of Agriculture to accept the quitclaim, disclaimer, and relinquishment of a railroad right of way within and adjacent to Pike National Forest in El Paso County, Colorado, originally granted to the Mt. Manitou Park and Incline Railway Company pursuant to the Act of March 3, 1875.

H.R. 6014. An act to authorize the Attorney General to award grants for States to implement DNA arrestee collection processes.

H.R. 6620. An act to amend title 18, United States Code, to eliminate certain limitations on the length of Secret Service Protection for former Presidents and for the children of former Presidents.

The enrolled bills were subsequently signed by the President pro tempore (Mr. LEAHY).

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, December 31, 2012, she had presented to the President of the United States the following enrolled bill and joint resolution:

S. 925. An act to designate Mt. Andrea Lawrence.

S.J. Res. 49. Joint resolution providing for the appointment of Barbara Barrett as a citizen regent of the Board of Regents of the Smithsonian Institution.

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–8746. A communication from the Deputy Secretary, Division of Investment Management, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Temporary Rule Regarding Principal Trades with Certain Advisory Clients'' (RIN3235–AL28) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Banking, Housing, and Urban Affairs.

EC–8747. A communication from the Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Other Flatfish, Other Rockfish, Pacific Ocean Perch, Sculpin, and Squid in the Bering Sea and Aleutian Islands Management Area'' (RIN0648–XC377) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8748. A communication from the Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Snapper-Grouper Fishery of the South Atlantic; Reopening of the Commercial Harvest of Red Snapper and Gray Triggerfish in the South Atlantic'' (RIN0648–XC367) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8749. A communication from the Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Summer Flounder Fishery; Quota Transfer'' (RIN0648–XC373) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8750. A communication from the Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Magnuson-Stevens Fishery Conservation and Management Act Provisions; Fisheries of the Northeastern United States; Extension of Emergency Fishery Closure Due to the Presence of the Toxin That Causes Paralytic Shellfish Poisoning (PSP)'' (RIN0648–BB59) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8751. A communication from the Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Snapper-Grouper Fishery Off the Southern Atlantic States; Transferability of Black Sea Bass Pot Endorsements'' (RIN0648–BC30) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8752. A communication from the Acting Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Snapper-Grouper Fishery of the South Atlantic; 2012 Commercial Accountability Measure and Closure for South Atlantic Snowy Grouper'' (RIN0648–XC380) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8753. A communication from the Acting Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; 2012 Commercial Accountability Measure and Closure for South Atlantic Blue Runner'' (RIN0648–XC310) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8754. A communication from the Acting Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Surfclam and Ocean Quahog Fisheries; 2013 Fishing Quotas for Atlantic Surfclams and Ocean Quahogs; and Suspension of Minimum Atlantic Surfclam Size Limit'' (RIN0648–XC353) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8755. A communication from the Acting Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Summer Flounder Fishery; Quota Transfer'' (RIN0648–XC340) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8756. A communication from the Acting Deputy Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Northeast Multispecies Fishery; White Hake Trimester Total Allowable Catch Area Closure for the Common Pool Fishery'' (RIN0648–XC369) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Commerce, Science, and Transportation.

EC–8757. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a report relative to the Board's competitive sourcing efforts for fiscal year 2012; to the Committee on Commerce, Science, and Transportation.

EC–8758. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Use of Controlled Corporations to Avoid the Application of Section 304'' (RIN1545–BI13) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Finance.

EC–8759. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Payout Requirements for Type III Supporting Organizations That Are Not Functionally Integrated'' (RIN1545–BG31) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Finance.

EC–8760. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Partner's Distributive Share'' (RIN1545–BJ37) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Finance.

EC–8761. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–167); to the Committee on Foreign Relations.

EC–8762. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–154); to the Committee on Foreign Relations.

EC–8763. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–168); to the Committee on Foreign Relations.

EC–8764. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–143); to the Committee on Foreign Relations.

EC–8765. A communication from the Program Manager, Centers for Disease Control and Prevention, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Control of Communicable Diseases: Foreign; Scope of Definitions (42 CFR Part 71)'' (RIN0920–AA12) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Health, Education, Labor, and Pensions.

EC–8766. A communication from the Program Manager, Centers for Disease Control and Prevention, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Control of Communicable Diseases: Foreign; Scope of Definitions (42 CFR Part 70)'' (RIN0920–AA22) received in the Office of the President of the Senate on December 28, 2012; to the Committee on Health, Education, Labor, and Pensions.

EC–8767. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, the Agency Financial Report for fiscal year 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–8768. A communication from the Principal Deputy Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the annual report from the Attorney General to Congress relative to the Uniformed and Overseas Citizens Absentee Voting Act; to the Committee on Rules and Administration.

EC–8769. A communication from the Chairman, Defense Nuclear Facilities Safety Board, transmitting, the Board's Report to Congress on the Status of Significant Unresolved Issues with the Department of Energy's Design and Construction Projects (dated December 24, 2012); to the Committee on Armed Services.

EC–8770. A communication from the Attorney, Legal Division, Bureau of Consumer Financial Protection, transmitting, pursuant to law, the report of a rule entitled ''Home Mortgage Disclosure (Regulation C): Adjustment to Asset-Size Exemption Threshold'' (Docket No. CFPB–2012–0049) received in the Office of the President of the Senate on December 31, 2012; to the Committee on Banking, Housing, and Urban Affairs.

EC–8771. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Suspension of Community Eligibility'' ((44 CFR Part 64) (Docket No. FEMA–2012–0003)) received in the Office of the President of the Senate on December 31, 2012; to the Committee on Banking, Housing, and Urban Affairs.

EC–8772. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Qualified Plug-in Electric Drive Motor Vehicle Credit; Update of Notice 2009–89'' (Notice 2012–54) received in the Office of the President of the Senate on December 31, 2012; to the Committee on Finance.

EC–8773. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''National Coverage Determinations for Fiscal Year 2011''; to the Committee on Finance.

EC–8774. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department of Health and Human Services' report to Congress on activities of the Center for Medicare and Medicaid Innovation; to the Committee on Finance.

EC–8775. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the Chemical Weapons Convention and the Australia Group; to the Committee on Foreign Relations.

EC–8776. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–035); to the Committee on Foreign Relations.

EC–8777. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–171); to the Committee on Foreign Relations.

EC–8778. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–064); to the Committee on Foreign Relations.

EC–8779. A communication from the Assistant Secretary for the Employment and Training Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Removal of Job Training Partnership Act Implementing Regulations'' (RIN1205–AB68) received in the Office of the President of the Senate on December 31, 2012; to the Committee on Health, Education, Labor, and Pensions.

EC–8780. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, an annual report on National HIV Testing Goals; to the Committee on Health, Education, Labor, and Pensions.

EC–8781. A communication from the Chairman, Merit Systems Protection Board, transmitting, pursuant to law, the Agency Financial Report for fiscal year 2012; to the Committee on Homeland Security and Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. LANDRIEU (for herself, Mr. BLUNT, Mr. INHOFE, Mr. DURBIN, Mrs. MCCASKILL, Ms. CANTWELL, Mr. WARNER, Ms. KLOBUCHAR, Mr. GRASSLEY, Ms. MIKULSKI, Mr. LUGAR, Mr. LAUTENBERG, and Mr. MENENDEZ):

S. Res. 628. A resolution expressing the deep disappointment of the Senate in the enactment by the Russian Government of a law

ending inter-country adoptions of Russian children by United States citizens and urging the Russia Government to reconsider the law and prioritize the processing of inter-country adoptions involving parentless Russian children who were already matched with United States families before the enactment of the law; considered and agreed to.

By Mr. REID (for himself and Mr. PRYOR):

S. Res. 629. A resolution to authorize the production of records by the Committee on Armed Services; considered and agreed to.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 628—EXPRESSING THE DEEP DISAPPOINTMENT OF THE SENATE IN THE ENACTMENT BY THE RUSSIAN GOVERNMENT OF A LAW ENDING INTER-COUNTRY ADOPTIONS OF RUSSIAN CHILDREN BY UNITED STATES CITIZENS AND URGING THE RUSSIA GOVERNMENT TO RECONSIDER THE LAW AND PRIORITIZE THE PROCESSING OF INTER-COUNTRY ADOPTIONS INVOLVING PARENTLESS RUSSIAN CHILDREN WHO WERE ALREADY MATCHED WITH UNITED STATES FAMILIES BEFORE THE ENACTMENT OF THE LAW

Ms. LANDRIEU (for herself, Mr. BLUNT, Mr. INHOFE, Mr. DURBIN, Mrs. MCCASKILL, Ms. CANTWELL, Mr. WARNER, Ms. KLOBUCHAR, Mr. GRASSLEY, Ms. MIKULSKI, Mr. LUGAR, Mr. LAUTENBERG, and Mr. MENENDEZ) submitted the following resolution; which was submitted and read:

S. RES. 628

Whereas United Nations Children's Fund (UNICEF) estimates that there are 740,000 children in Russia living without parental care;

Whereas the Ministry of Science and Education of Russia estimates that 110,000 children live in state institutions in Russia;

Whereas the number of adoptions by Russian families is modest, with only 7,400 domestic adoptions in 2011 compared with 3,400 adoptions of Russian children by families abroad;

Whereas on December 28, 2012, Russian Federation President Vladimir Putin signed into law legislation entitled ''On Measures Concerning the Implementation of Government Policy on Orphaned Children and those without Parental Care'', which includes language that permanently bans adoptions of Russian children by United States citizens;

Whereas a spokesman for President Putin, Dmitry Peskov, announced that the law is to take effect on January 1, 2013, thereby abrogating the bilateral agreement between Russia and the United States that entered into force on November 1, 2012, and requires both countries to provide one year notice of intent to terminate the agreement;

Whereas 46, and possibly more, inter-country adoptions of Russian children by United States families have already received a final adoption decree from the Russia judicial system, and hundreds of other United States families are in the process of adopting Russian children;

Whereas United Nations Children's Fund released a statement urging the Russia Government to ensure that ''the current plight of the many Russian children in institutions receives priority attention'' and that the Russia Government consider alternatives to institutionalization including ''domestic adoption and inter-country adoption'';

Whereas the United Nations, the Hague Conference on Private International Law, and other international organizations have recognized a child's right to a family as a basic human right worthy of protection;

Whereas the Christian Alliance for Orphans reports that United States families have opened their homes to more than 179,000 orphans from overseas in the last 20 years;

Whereas after China and Ethiopia, Russia is the third most popular country for United States citizens who adopt internationally;

Whereas adoption, both domestic and international, is an important child protection tool and an integral part of child welfare best practices around the world, along with prevention of abandonment and family reunification: and

Whereas more than 60,000 Russia-born children have found safe, permanent, and loving homes with United States families over the last two decades: Now, therefore, be it

Resolved, That the Senate—

(1) affirms that all children deserve a permanent, protective family;

(2) values the long tradition of the United States and Russia Governments working together to find permanent homes for unparented children;

(3) disapproves of the Russia law ending inter-country adoptions of Russian children by United States citizens because it primarily harms vulnerable and voiceless children; and

(4) strongly urges the Russia Government to reconsider the law on humanitarian grounds, in consideration of the well-being of parentless Russian children awaiting a loving and permanent family, and prioritize the processing of inter-country adoptions of Russian children by United States citizens that were initiated before the enactment of the law.

Mr. BLUNT. Mr. President, I come to the floor today to join my colleague, Senator LANDRIEU from Louisiana, to talk about Russian adoptions and the decision by the Russian Duma and the President, President Putin, to sign a law that includes a provision that bans adoption of Russian children by American families. This ban is going into effect tomorrow—tomorrow. This is a ban which would go into effect tomorrow with four dozen American families in the process of bringing a child home from Russia.

My wife Abby and I adopted our son Charlie from Russia a number of years ago now. After visits to Russia and as we were leaving the courthouse the day the court procedures were accomplished, we were in the car with people who had helped us with that adoption who represented an organization here in the United States—in this case, the Gladney organization in Texas—and they got a call that four of their fellow organizations had just been decertified in Russia. They were decertified for some technical reason with their papers. All of the adoptions they had done were reviewed, and at least one error was found in one paper somewhere. Over the course of the next 12 months, as every single agency came up for review—and this was about 6 years ago now—every one of them had a problem that wound up with their being disqualified.

At the end of that year, there wasn't a single American organization that could be helpful to an American family with a Russian adoption because that was the policy the government decided at that time. They were going to somehow penalize American families who wanted to adopt Russian kids in ways that made that virtually impossible.

At that time, there were families who had met a child, who had bonded with that child, who had taken pictures home, who had talked to doctors in Russia and the United States, and who had done everything a family needed to do, and who had even gotten ready to go to court. I think at that point, if you had gone to court, you probably took your child home with you, but that is not the case right now. But they all were caught in a situation where in some cases it was 2 or 3 more years before that adoption was allowed to be completed, if it was ever allowed to be completed.

Now the Russian Government has decided once again to use Russian kids in orphanages as political pawns to help create some international dispute with the United States. This is not behavior that is worthy of the credit that, frankly, we just gave the Russians whenever we entered into a trade agreement that said: We want to accept you further into the relationships we have.

By the way, I have talked to parents in the last few days who have adopted children from Russia. These are parents who, like every one of us in this room right now on the floor of the Senate, grew up at a time when the Soviet Union was seen as a great adversary. But suddenly the bonding that occurred between our two countries because of this opportunity for Russian kids to become American kids made a big difference in the way Americans looked at Russians and the way Russians looked at Americans. But this is a difference that somehow the Russian Government wants to do away with as they take offense because we—appropriately, I think—put in the Russian trade agreement penalties for people who were involved in the imprisonment and death of Russian attorney Sergei Magnitsky in 2009. We were pretty specific about the narrow group to which this applied. And they are very specific about the 110,000 kids in orphanages in Russia today who cannot be adopted by American families because they have decided to use these kids as a political tool. It is the wrong thing to do.

Russia and the United States have had a tradition now that goes back to the end of the Cold War of working together to find permanent homes for children without parents in our country. As recently as November 1 of last year, we signed a bilateral agreement to strengthen the procedural safeguards for this process so that families who got involved wouldn't get way

down the line or get into the line at all and find out they were not going to let this happen.

We have one family in St. Louis who has adopted, they have gone to court, have been to Russia multiple times, and the court has said they are now the adoptive parents—the Russian court—of this child, but under the new requirement, they have to wait another 30 days before they can come back and take this child home. And now the Russian Government says they can never take this child home. That is totally unacceptable.

Last week Senator LANDRIEU and I, along with at least a dozen other Senators, sent a letter to President Putin urging him not to violate the agreement by signing the law. Mr. President, I ask unanimous consent to have printed in the RECORD the letter to his Excellency Vladimir Putin.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, December 21, 2012.

His Excellency VLADIMIR PUTIN,
President of the Russian Federation, The Kremlin, Moscow, Russia.

DEAR MR. PRESIDENT: We respectfully ask you to veto the law ''On Measures of Coercion on Persons, Involved in the Violation of the Rights of Russian Citizens,'' which includes language that permanently bans adoptions of Russian children by American families. We are deeply saddened by the events in the Duma over the past few days which have led to the passage of this law, that would abrogate the bilateral agreement between our two countries that you signed earlier this year and which entered into force on November 1, 2012. We fear that this overly broad law would have dire consequences for Russian children.

If the law takes effect, thousands of Russian children living in institutions may lose an opportunity to become part of a family. As you know, our two countries have a long tradition of working together to find permanent homes for unparented children. At any given moment, based on the statistics of the past few years, there are at least 1,000 Russian children in the process of finding supportive and protective families in the United States. They and those who would follow them would become the real victims of a misplaced legislative effort. We share in your desire to ensure the wellbeing and safety of all adopted children and remain steadfast to the commitments we made in the bilateral agreement.

Nothing is more important to the future of our world than doing our best to give as many children the chance to grow up in a family as we possibly can.

We hope that your spirit of compassion for voiceless children will prevail so that this sad turn of events will not lead to harm to so many innocent children.

MARY L. LANDRIEU,
JOHN BOOZMAN,
MARIA CANTWELL,
ROGER F. WICKER,
JIM INHOFE,
KAREN BASS,
JOHN SARBANES,
JOHN CORNYN,
JOE LIEBERMAN,
FRANK R. LAUTENBERG,
ROY BLUNT,
CHUCK GRASSLEY,
DAVE CAMP,
DANIEL LIPINSKI,
AMY KLOBUCHAR,
JEANNE SHAHEEN.

Mr. BLUNT. He signed the law anyway. Senator LANDRIEU and I are going to have a resolution that she is going to talk about, asking not only that this position be reversed but that immediately we do whatever is necessary to unite these families who have already bonded with children who are in orphanages in Russia.

I talked to a number of parents just yesterday. Bob and Sandy Davis of St. Louis have been very involved in the efforts for adoptive children from Russia and the Ukraine.

I talked to a young man this morning, Sergei Quincy, from Branson, who is 22, who was adopted by the Quincys in Branson when he was 14. At 14, he came to the United States, didn't speak any English, started the ninth grade, learned English, and at 22 he is now happily married with a couple of young children. He told me the moment of his adoption was the moment that made his dreams possible. He had a bad family situation, institutionalized with his brother and his sister in three different orphanages, and his brother was adopted by the same family who didn't know about his sister.

I talked to Senator John Lamping of Missouri, who adopted a son who is now 14 who had never gone to school. He was adopted at 8 or 9 years old, and he had never been to school anywhere.

I would hope the Senate speaks strongly and that we work as effectively as we can with the Russian representatives in this country to help them right this wrong—the immediate and unbelievable wrong for almost 50 families who know the child they are about to bring into their family and emotionally and psychologically already have.

For all the kids in Russia, the country that is No. 3 in foreign adoptions for the United States—all those kids who are likely to spend their growing-up years in an orphanage and at 15 or 16 be put out of that orphanage with no support system there are families in the United States of America who want to make them part of their family.

I would like to close by saying I continue to appreciate the great leadership on all these adoption issues that Senator LANDRIEU has shown and look forward to working with her and others as we try to help right this tragic wrong.

I would be glad to yield to my good friend from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I am proud to join my friend, the Senator from Missouri, on the floor to add voice to this travesty that has recently occurred.

The Senator from Missouri described the situation accurately; that a country that claims to be a powerful nation on the Earth has decided to take powerful action against the weakest, most vulnerable individuals on the Earth, and those are children without families.

It makes no sense whatsoever for the country of Russia to take the action they did because they are in a disagreement with us in America—and maybe others around the world—about human rights violations regarding adults.

The Russian Government, in front of the whole world, has taken their anger and frustration out on their own children—their own children who are orphans, their own children who are sick, their own children who, in some cases, are disabled. It makes no sense in the world.

I was trying to think, I say to the Senator from Missouri, of what would ever possess the United States of America or any country to take their anger and their frustrations out on children. That is what the Duma did.

They are hurting their own children, and we would like to urge them strongly in this resolution—which I am going to submit for its immediate consideration on my behalf and Senator BLUNT and Senator INHOFE. We would like to ask the Russian Government to please reconsider—there might be other actions they could take to make it clear they are unhappy with some things we have done, but damning their children should not be one of them, causing children to not have an opportunity for a family or an education or health care or enough food—and to please be considerate of their needs.

The 50 or so families who are in the very end of the process, we also want to ask the government to understand that just as birth parents anticipate the birth of their child, adoptive parents anticipate the coming of that union to their family. Most important, many of these children are not infants. Some of them are, but some of them are older children who know they are about to be adopted, who understand that a mother or a father has already agreed to take them to the United States. It is going to crush their hopes and their dreams and their spirit.

We are hoping the Russian Government will reconsider.

This resolution, I hope, will be joined by our colleagues in a strong vote of support. I know that with the Senator from Missouri, he and I will continue to work in every way we can to see if we can find a better resolution.

But there are a couple other things I wish to say about this quickly. I want everyone to be clear that in the United States of America—and I am very proud of our country in this regard—we adopt over 100,000 children a year. We have 350 million people-plus, but we adopt 100,000 children. Most of those children are American children adopted by American parents, children who have lost their parents, children who have been abandoned by their parents, children who have been grossly abandoned or neglected by their parents and the courts have stepped in and terminated those rights and we immediately

find relatives or people in the community to adopt because we believe, as Americans—and many people around the world—that children shouldn't raise themselves. Every child belongs in a family, in a permanent, loving, supportive, protective family, and it is our job as a government and our job as a faith-based community and our responsibility as a community to make sure there is no parentless child in the world.

So we work very hard, not just government to government but in the churches, in the faith-based communities, working with nonprofit organizations, to make the rules and regulations and systems strong to protect children and also to protect fragile families from disintegrating, reconnecting children with families, trying our very best to do that.

We want to work with Russia to strengthen their internal child protection system. We work on strengthening ours every day. It is not perfect, but it is one of the best in the world. We still make terrible mistakes, but we do want to continue to work to improve our child welfare system. But adoption, both domestic and international—kinship adoption included—is a very important tool of child protection. We want to do a better job in the United States. We want to continue to keep avenues of adoption open for children from Russia, from China, from Romania, et cetera.

Some people may be wondering: Senator, you are so bold speaking about this. Are children from America adopted overseas? The answer is yes—not many, but under the international treaties of the rights of a child to a family, we need to be open to have American children—if they can't find an adoptive home here—to be able to go to other countries.

But the most important thing is to know that Americans step up every day to adopt American children, both infants, teenagers, and I have even known of adoptions of children who were 22 and 23 years of age. When are you ever too old to need a mother and a father?

But the action the Russian Duma has taken is a travesty, and it is incomprehensible that any government would take their anger out on another country against the children of their own country. We hope they will reconsider. We hope the people of Russia will rise and tell their government: Absolutely not. Take out your anger and frustration in another way, not on our own children, and allow these adoptions to be processed.

SENATE RESOLUTION 629—TO AUTHORIZE THE PRODUCTION OF RECORDS BY THE COMMITTEE ON ARMED SERVICES

Mr. REID of Nevada (for himself and Mr. PRYOR) submitted the following resolution; which was considered and agreed to:

S. RES. 629

Whereas, the United States Air Force has initiated an independent review of the case of Major General John D. Lavelle, who has been nominated to be advanced posthumously on the retired list to the rank of general;

Whereas, the Committee has received a request from the Secretary of the Air Force that those conducting the independent review of Major General Lavelle's nomination be given access to the Committee's executive session documents relating to Major General Lavelle's 1972 nomination to the rank of lieutenant general on the retired list of the Air Force;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Committee on Armed Services, acting jointly, are authorized to provide, under appropriate security procedures, records from the Committee's executive sessions relating to Major General John D. Lavelle's 1972 nomination to those persons conducting the independent review of Major General Lavelle's case on behalf of the Air Force.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3448. Mr. REID (for himself and Mr. MCCONNELL) proposed an amendment to the bill H.R. 8, providing for comprehensive tax reform, and for other purposes.

SA 3449. Mr. PRYOR (for Mr. NELSON of Florida (for himself and Mrs. HUTCHISON)) proposed an amendment to the bill H.R. 6586, to extend the application of certain space launch liability provisions through 2014.

SA 3450. Mr. PRYOR (for Mr. REID) proposed an amendment to the bill H.R. 8, providing for comprehensive tax reform, and for other purposes.

TEXT OF AMENDMENTS

SA 3448. Mr. REID (for himself and Mr. MCCONNELL) proposed an amendment to the bill H.R. 8, providing for comprehensive tax reform, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''American Taxpayer Relief Act of 2012''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever 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 Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—GENERAL EXTENSIONS

SUBTITLE A—TAX RELIEF

Sec. 101. Permanent extension and modification of 2001 tax relief.
Sec. 102. Permanent extension and modification of 2003 tax relief.
Sec. 103. Extension of 2009 tax relief.
Sec. 104. Permanent alternative minimum tax relief.

TITLE II—INDIVIDUAL TAX EXTENDERS

Sec. 201. Extension of deduction for certain expenses of elementary and secondary school teachers.
Sec. 202. Extension of exclusion from gross income of discharge of qualified principal residence indebtedness.
Sec. 203. Extension of parity for exclusion from income for employer-provided mass transit and parking benefits.
Sec. 204. Extension of mortgage insurance premiums treated as qualified residence interest.
Sec. 205. Extension of deduction of State and local general sales taxes.
Sec. 206. Extension of special rule for contributions of capital gain real property made for conservation purposes.
Sec. 207. Extension of above-the-line deduction for qualified tuition and related expenses.
Sec. 208. Extension of tax-free distributions from individual retirement plans for charitable purposes.
Sec. 209. Improve and make permanent the provision authorizing the Internal Revenue Service to disclose certain return and return information to certain prison officials.

TITLE III—BUSINESS TAX EXTENDERS

Sec. 301. Extension and modification of research credit.
Sec. 302. Extension of temporary minimum low-income tax credit rate for non-federally subsidized new buildings.
Sec. 303. Extension of housing allowance exclusion for determining area median gross income for qualified residential rental project exempt facility bonds.
Sec. 304. Extension of Indian employment tax credit.
Sec. 305. Extension of new markets tax credit.
Sec. 306. Extension of railroad track maintenance credit.
Sec. 307. Extension of mine rescue team training credit.
Sec. 308. Extension of employer wage credit for employees who are active duty members of the uniformed services.
Sec. 309. Extension of work opportunity tax credit.
Sec. 310. Extension of qualified zone academy bonds.
Sec. 311. Extension of 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements.
Sec. 312. Extension of 7-year recovery period for motorsports entertainment complexes.
Sec. 313. Extension of accelerated depreciation for business property on an Indian reservation.
Sec. 314. Extension of enhanced charitable deduction for contributions of food inventory.
Sec. 315. Extension of increased expensing limitations and treatment of certain real property as section 179 property.
Sec. 316. Extension of election to expense mine safety equipment.

Sec. 317. Extension of special expensing rules for certain film and television productions.
Sec. 318. Extension of deduction allowable with respect to income attributable to domestic production activities in Puerto Rico.
Sec. 319. Extension of modification of tax treatment of certain payments to controlling exempt organizations.
Sec. 320. Extension of treatment of certain dividends of regulated investment companies.
Sec. 321. Extension of RIC qualified investment entity treatment under FIRPTA.
Sec. 322. Extension of subpart F exception for active financing income.
Sec. 323. Extension of look-thru treatment of payments between related controlled foreign corporations under foreign personal holding company rules.
Sec. 324. Extension of temporary exclusion of 100 percent of gain on certain small business stock.
Sec. 325. Extension of basis adjustment to stock of S corporations making charitable contributions of property.
Sec. 326. Extension of reduction in S-corporation recognition period for built-in gains tax.
Sec. 327. Extension of empowerment zone tax incentives.
Sec. 328. Extension of tax-exempt financing for New York Liberty Zone.
Sec. 329. Extension of temporary increase in limit on cover over of rum excise taxes to Puerto Rico and the Virgin Islands.
Sec. 330. Modification and extension of American Samoa economic development credit.
Sec. 331. Extension and modification of bonus depreciation.

TITLE IV—ENERGY TAX EXTENDERS

Sec. 401. Extension of credit for energy-efficient existing homes.
Sec. 402. Extension of credit for alternative fuel vehicle refueling property.
Sec. 403. Extension of credit for 2- or 3-wheeled plug-in electric vehicles.
Sec. 404. Extension and modification of cellulosic biofuel producer credit.
Sec. 405. Extension of incentives for biodiesel and renewable diesel.
Sec. 406. Extension of production credit for Indian coal facilities placed in service before 2009.
Sec. 407. Extension and modification of credits with respect to facilities producing energy from certain renewable resources.
Sec. 408. Extension of credit for energy-efficient new homes.
Sec. 409. Extension of credit for energy-efficient appliances.
Sec. 410. Extension and modification of special allowance for cellulosic biofuel plant property.
Sec. 411. Extension of special rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities.
Sec. 412. Extension of alternative fuels excise tax credits.

TITLE V—UNEMPLOYMENT

Sec. 501. Extension of emergency unemployment compensation program.
Sec. 502. Temporary extension of extended benefit provisions.
Sec. 503. Extension of funding for reemployment services and reemployment and eligibility assessment activities.
Sec. 504. Additional extended unemployment benefits under the Railroad Unemployment Insurance Act.

TITLE VI—MEDICARE AND OTHER HEALTH EXTENSIONS

Subtitle A—Medicare Extensions

Sec. 601. Medicare physician payment update.
Sec. 602. Work geographic adjustment.
Sec. 603. Payment for outpatient therapy services.
Sec. 604. Ambulance add-on payments.
Sec. 605. Extension of Medicare inpatient hospital payment adjustment for low-volume hospitals.
Sec. 606. Extension of the Medicare-dependent hospital (MDH) program.
Sec. 607. Extension for specialized Medicare Advantage plans for special needs individuals.
Sec. 608. Extension of Medicare reasonable cost contracts.
Sec. 609. Performance improvement.
Sec. 610. Extension of funding outreach and assistance for low-income programs.

Subtitle B—Other Health Extensions

Sec. 621. Extension of the qualifying individual (QI) program.
Sec. 622. Extension of Transitional Medical Assistance (TMA).
Sec. 623. Extension of Medicaid and CHIP Express Lane option.
Sec. 624. Extension of family-to-family health information centers.
Sec. 625. Extension of Special Diabetes Program for Type I diabetes and for Indians.

Subtitle C—Other Health Provisions

Sec. 631. IPPS documentation and coding adjustment for implementation of MS-DRGs.
Sec. 632. Revisions to the Medicare ESRD bundled payment system to reflect findings in the GAO report.
Sec. 633. Treatment of multiple service payment policies for therapy services.
Sec. 634. Payment for certain radiology services furnished under the Medicare hospital outpatient department prospective payment system.
Sec. 635. Adjustment of equipment utilization rate for advanced imaging services.
Sec. 636. Medicare payment of competitive prices for diabetic supplies and elimination of overpayment for diabetic supplies.
Sec. 637. Medicare payment adjustment for non-emergency ambulance transports for ESRD beneficiaries.
Sec. 638. Removing obstacles to collection of overpayments.
Sec. 639. Medicare advantage coding intensity adjustment.
Sec. 640. Elimination of all funding for the Medicare Improvement Fund.
Sec. 641. Rebasing of State DSH allotments.
Sec. 642. Repeal of CLASS program.
Sec. 643. Commission on Long-Term Care.
Sec. 644. Consumer Operated and Oriented Plan program contingency fund.

TITLE VII—EXTENSION OF AGRICULTURAL PROGRAMS

Sec. 701. 1-year extension of agricultural programs.
Sec. 702. Supplemental agricultural disaster assistance.

TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 901. Strategic delivery systems.
Sec. 902. No cost of living adjustment in pay of members of congress.

TITLE X—BUDGET PROVISIONS

Subtitle A—Modifications of Sequestration

Sec. 1001. Treatment of sequester.
Sec. 1002. Amounts in applicable retirement plans may be transferred to designated Roth accounts without distribution.

Subtitle B—Budgetary Effects

Sec. 1011. Budgetary effects.

TITLE I—GENERAL EXTENSIONS

Subtitle A—Tax Relief

SEC. 101. PERMANENT EXTENSION AND MODIFICATION OF 2001 TAX RELIEF.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—The Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking title IX.

(2) CONFORMING AMENDMENT.—The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 is amended by striking section 304.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable, plan, or limitation years beginning after December 31, 2012, and estates of decedents dying, gifts made, or generation skipping transfers after December 31, 2012.

(b) APPLICATION OF INCOME TAX TO CERTAIN HIGH-INCOME TAXPAYERS.—

(1) INCOME TAX RATES.—

(A) TREATMENT OF 25-, 28-, AND 33-PERCENT RATE BRACKETS.—Paragraph (2) of section 1(i) is amended to read as follows:

''(2) 25-, 28-, AND 33-PERCENT RATE BRACKETS.—The tables under subsections (a), (b), (c), (d), and (e) shall be applied—

''(A) by substituting '25%' for '28%' each place it appears (before the application of subparagraph (B)),

''(B) by substituting '28%' for '31%' each place it appears, and

''(C) by substituting '33%' for '36%' each place it appears.''.

(B) 35-PERCENT RATE BRACKET.—Subsection (i) of section 1 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) MODIFICATIONS TO INCOME TAX BRACKETS FOR HIGH-INCOME TAXPAYERS.—

''(A) 35-PERCENT RATE BRACKET.—In the case of taxable years beginning after December 31, 2012—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on a taxpayer's taxable income in the highest rate bracket shall be 35 percent to the extent such income does not exceed an amount equal to the excess of—

''(I) the applicable threshold, over

''(II) the dollar amount at which such bracket begins, and

''(ii) the 39.6 percent rate of tax under such subsections shall apply only to the taxpayer's taxable income in such bracket in excess of the amount to which clause (i) applies.

''(B) APPLICABLE THRESHOLD.—For purposes of this paragraph, the term 'applicable threshold' means—

''(i) $450,000 in the case of subsection (a),

''(ii) $425,000 in the case of subsection (b),

''(iii) $400,000 in the case of subsection (c), and

''(iv) ½ the amount applicable under clause (i) (after adjustment, if any, under subparagraph (C)) in the case of subsection (d).

''(C) INFLATION ADJUSTMENT.—For purposes of this paragraph, with respect to taxable years beginning in calendar years after 2013, each of the dollar amounts under clauses (i), (ii), and (iii) of subparagraph (B) shall be adjusted in the same manner as under paragraph (1)(C)(i), except that subsection (f)(3)(B) shall be applied by substituting '2012' for '1992'.''.

(2) PHASEOUT OF PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(A) OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—Section 68 is amended—

(i) by striking subsection (b) and inserting the following:

''(b) APPLICABLE AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the term 'applicable amount' means—

''(A) $300,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),

''(B) $275,000 in the case of a head of household (as defined in section 2(b)),

''(C) $250,000 in the case of an individual who is not married and who is not a surviving spouse or head of household, and

''(D) ½ the amount applicable under subparagraph (A) (after adjustment, if any, under paragraph (2)) in the case of a married individual filing a separate return.

For purposes of this paragraph, marital status shall be determined under section 7703.

''(2) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in calendar years after 2013, each of the dollar amounts under subparagraphs (A), (B), and (C) of paragraph (1) shall be shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that section 1(f)(3)(B) shall be applied by substituting '2012' for '1992'.

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.'', and

(ii) by striking subsections (f) and (g).

(B) PHASEOUT OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.—

(i) IN GENERAL.—Paragraph (3) of section 151(d) is amended—

(I) by striking ''the threshold amount'' in subparagraphs (A) and (B) and inserting ''the applicable amount in effect under section 68(b)'',

(II) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C), and

(III) by striking subparagraphs (E) and (F).

(ii) CONFORMING AMENDMENTS.—Paragraph (4) of section 151(d) is amended—

(I) by striking subparagraph (B),

(II) by redesignating clauses (i) and (ii) of subparagraph (A) as subparagraphs (A) and (B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(III) by striking all that precedes ''in a calendar year after 1989,'' and inserting the following:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2012.

(c) MODIFICATIONS OF ESTATE TAX.—

(1) MAXIMUM ESTATE TAX RATE EQUAL TO 40 PERCENT.—The table contained in subsection (c) of section 2001, as amended by section 302(a)(2) of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, is amended by striking ''Over $500,000'' and all that follows and inserting the following:

''Over $500,000 but not over $750,000	$155,800, plus 37 percent of the excess of such amount over $500,000.
Over $750,000 but not over $1,000,000	$248,300, plus 39 percent of the excess of such amount over $750,000.
Over $1,000,000	$345,800, plus 40 percent of the excess of such amount over $1,000,000.''.

(2) TECHNICAL CORRECTION.—Clause (i) of section 2010(c)(4)(B) is amended by striking ''basic exclusion amount'' and inserting ''applicable exclusion amount''.

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as otherwise provided by in this paragraph, the amendments made by this subsection shall apply to estates of decedents dying, generation-skipping transfers, and gifts made, after December 31, 2012.

(B) TECHNICAL CORRECTION.—The amendment made by paragraph (2) shall take effect as if included in the amendments made by section 303 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

SEC. 102. PERMANENT EXTENSION AND MODIFICATION OF 2003 TAX RELIEF.

(a) PERMANENT EXTENSION.—The Jobs and Growth Tax Relief Reconciliation Act of 2003 is amended by striking section 303.

(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(h) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

''(ii) the excess of—

''(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 39.6 percent, over

''(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C),''.

(2) MINIMUM TAX.—Paragraph (3) of section 55(b) is amended by striking subparagraph (C), by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (B) the following new subparagraphs:

''(C) 15 percent of the lesser of—

''(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or

''(ii) the excess described in section 1(h)(1)(C)(ii), plus

''(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus''.

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking ''15 percent'' and inserting ''20 percent'':

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) Section 53511(f)(2) of title 46, United States Code.

(2) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking ''5 percent (0 percent in the case of taxable years beginning after 2007)'' and inserting ''0 percent''.

(3) Section 1445(e)(6) is amended by striking ''15 percent (20 percent in the case of taxable years beginning after December 31, 2010)'' and inserting ''20 percent''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided, the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2012.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (3) of subsection (c) shall apply to amounts paid on or after January 1, 2013.

SEC. 103. EXTENSION OF 2009 TAX RELIEF.

(a) 5-YEAR EXTENSION OF AMERICAN OPPORTUNITY TAX CREDIT.—

(1) IN GENERAL.—Section 25A(i) is amended by striking ''in 2009, 2010, 2011, or 2012'' and inserting ''after 2008 and before 2018''.

(2) TREATMENT OF POSSESSIONS.—Section 1004(c)(1) of division B of the American Recovery and Reinvestment Tax Act of 2009 is amended by striking ''in 2009, 2010, 2011, and 2012'' each place it appears and inserting ''after 2008 and before 2018''.

(b) 5-YEAR EXTENSION OF CHILD TAX CREDIT.—Section 24(d)(4) is amended—

(1) by striking ''2009, 2010, 2011, AND 2012'' in the heading and inserting ''FOR CERTAIN YEARS'', and

(2) by striking ''in 2009, 2010, 2011, or 2012'' and inserting ''after 2008 and before 2018''.

(c) 5-YEAR EXTENSION OF EARNED INCOME TAX CREDIT.—Section 32(b)(3) is amended—

(1) by striking ''2009, 2010, 2011, AND 2012'' in the heading and inserting ''FOR CERTAIN YEARS'', and

(2) by striking ''in 2009, 2010, 2011, or 2012'' and inserting ''after 2008 and before 2018''.

(d) PERMANENT EXTENSION OF RULE DISREGARDING REFUNDS IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.—Section 6409 is amended to read as follows:

''SEC. 6409. REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.

''Notwithstanding any other provision of law, any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2012.

(2) RULE REGARDING DISREGARD OF REFUNDS.—The amendment made by subsection (d) shall apply to amounts received after December 31, 2012.

SEC. 104. PERMANENT ALTERNATIVE MINIMUM TAX RELIEF.

(a) 2012 EXEMPTION AMOUNTS MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(A) by striking ''$45,000'' and all that follows through ''2011)'' in subparagraph (A) and inserting ''$78,750'',

(B) by striking ''$33,750'' and all that follows through ''2011)'' in subparagraph (B) and inserting ''$50,600'', and

(C) by striking ''paragraph (1)(A)'' in subparagraph (C) and inserting ''subparagraph (A)''.

(b) EXEMPTION AMOUNTS INDEXED FOR INFLATION.—

(1) IN GENERAL.—Subsection (d) of section 55 is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2012, the amounts described in subparagraph (B) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2011' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) AMOUNTS DESCRIBED.—The amounts described in this subparagraph are—

''(i) each of the dollar amounts contained in subsection (b)(1)(A)(i),

''(ii) each of the dollar amounts contained in paragraph (1), and

''(iii) each of the dollar amounts in subparagraphs (A) and (B) of paragraph (3).

''(C) ROUNDING.—Any increase determined under subparagraph (A) shall be rounded to the nearest multiple of $100.''.

(2) CONFORMING AMENDMENTS.—

(A) Clause (iii) of section 55(b)(1)(A) is amended by striking ''by substituting'' and all that follows through ''appears.'' and inserting ''by substituting 50 percent of the dollar amount otherwise applicable under subclause (I) and subclause (II) thereof.''.

(B) Paragraph (3) of section 55(d) is amended—

(i) by striking ''or (2)'' in subparagraph (A),

(ii) by striking ''and'' at the end of subparagraph (B), and

(iii) by striking subparagraph (C) and inserting the following new subparagraphs:

''(C) 50 percent of the dollar amount applicable under subparagraph (A) in the case of a taxpayer described in subparagraph (C) or (D) of paragraph (1), and

''(D) $150,000 in the case of a taxpayer described in paragraph (2).''.

(c) ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE CREDITS.—

(1) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed by section 55(a) for the taxable year.''.

(2) CONFORMING AMENDMENTS.—

(A) ADOPTION CREDIT.—

(i) Section 23(b) is amended by striking paragraph (4).

(ii) Section 23(c) is amended by striking paragraphs (1) and (2) and inserting the following:

''(1) IN GENERAL.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 25D and 1400C), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.''.

(iii) Section 23(c) is amended by redesignating paragraph (3) as paragraph (2).

(B) CHILD TAX CREDIT.—

(i) Section 24(b) is amended by striking paragraph (3).

(ii) Section 24(d)(1) is amended—

(I) by striking ''section 26(a)(2) or subsection (b)(3), as the case may be,'' each place it appears in subparagraphs (A) and (B) and inserting ''section 26(a)'', and

(II) by striking ''section 26(a)(2) or subsection (b)(3), as the case may be'' in the second last sentence and inserting ''section 26(a)''.

(C) CREDIT FOR INTEREST ON CERTAIN HOME MORTGAGES.—Section 25(e)(1)(C) is amended to read as follows:

''(C) APPLICABLE TAX LIMIT.—For purposes of this paragraph, the term 'applicable tax limit' means the limitation imposed by section 26(a) for the taxable year reduced by the sum of the credits allowable under this subpart (other than this section and sections 23, 25D, and 1400C).''.

(D) HOPE AND LIFETIME LEARNING CREDITS.—Section 25A(i) is amended—

(i) by striking paragraph (5) and by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively, and

(ii) by striking ''section 26(a)(2) or paragraph (5), as the case may be'' in paragraph (5), as redesignated by clause (i), and inserting ''section 26(a)''.

(E) SAVERS' CREDIT.—Section 25B is amended by striking subsection (g).

(F) RESIDENTIAL ENERGY EFFICIENT PROPERTY.—Section 25D(c) is amended to read as follows:

''(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.''.

(G) CERTAIN PLUG-IN ELECTRIC VEHICLES.—Section 30(c)(2) is amended to read as follows:

''(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.''.

(H) ALTERNATIVE MOTOR VEHICLE CREDIT.—Section 30B(g)(2) is amended to read as follows:

''(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.''.

(I) NEW QUALIFIED PLUG-IN ELECTRIC VEHICLE CREDIT.—Section 30D(c)(2) is amended to read as follows:

''(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.''.

(J) CROSS REFERENCES.—Section 55(c)(3) is amended by striking ''26(a), 30C(d)(2),'' and inserting ''30C(d)(2)''.

(K) FOREIGN TAX CREDIT.—Section 904 is amended by striking subsection (i) and by redesignating subsections (j) , (k), and (l) as subsections (i), (j), and (k), respectively.

(L) FIRST-TIME HOME BUYER CREDIT FOR THE DISTRICT OF COLUMBIA.—Section 1400C(d) is amended to read as follows:

''(d) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under subpart A of part IV of subchapter A (other than this section and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

TITLE II—INDIVIDUAL TAX EXTENDERS

SEC. 201. EXTENSION OF DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) is amended by striking ''or 2011'' and inserting ''2011, 2012, or 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 202. EXTENSION OF EXCLUSION FROM GROSS INCOME OF DISCHARGE OF QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.

(a) IN GENERAL.—Subparagraph (E) of section 108(a)(1) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to indebtedness discharged after December 31, 2012.

SEC. 203. EXTENSION OF PARITY FOR EXCLUSION FROM INCOME FOR EMPLOYER-PROVIDED MASS TRANSIT AND PARKING BENEFITS.

(a) IN GENERAL.—Paragraph (2) of section 132(f) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months after December 31, 2011.

SEC. 204. EXTENSION OF MORTGAGE INSURANCE PREMIUMS TREATED AS QUALIFIED RESIDENCE INTEREST.

(a) IN GENERAL.—Subclause (I) of section 163(h)(3)(E)(iv) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) TECHNICAL AMENDMENTS.—Clause (i) of section 163(h)(4)(E) is amended—

(1) by striking ''Veterans Administration'' and inserting ''Department of Veterans Affairs'', and

(2) by striking ''Rural Housing Administration'' and inserting ''Rural Housing Service''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or accrued after December 31, 2011.

SEC. 205. EXTENSION OF DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 206. EXTENSION OF SPECIAL RULE FOR CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—Clause (iii) of section 170(b)(2)(B) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2011.

SEC. 207. EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 208. EXTENSION OF TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2011.

(2) SPECIAL RULES.—For purposes of subsections (a)(6), (b)(3), and (d)(8) of section 408 of the Internal Revenue Code of 1986, at the election of the taxpayer (at such time and in such manner as prescribed by the Secretary of the Treasury)—

(A) any qualified charitable distribution made after December 31, 2012, and before February 1, 2013, shall be deemed to have been made on December 31, 2012, and

(B) any portion of a distribution from an individual retirement account to the taxpayer after November 30, 2012, and before January 1, 2013, may be treated as a qualified charitable distribution to the extent that—

(i) such portion is transferred in cash after the distribution to an organization described in section 408(d)(8)(B)(i) before February 1, 2013, and

(ii) such portion is part of a distribution that would meet the requirements of section 408(d)(8) but for the fact that the distribution was not transferred directly to an organization described in section 408(d)(8)(B)(i).

SEC. 209. IMPROVE AND MAKE PERMANENT THE PROVISION AUTHORIZING THE INTERNAL REVENUE SERVICE TO DISCLOSE CERTAIN RETURN AND RETURN INFORMATION TO CERTAIN PRISON OFFICIALS.

(a) IN GENERAL.—Paragraph (10) of section 6103(k) is amended to read as follows:

''(10) DISCLOSURE OF CERTAIN RETURNS AND RETURN INFORMATION TO CERTAIN PRISON OFFICIALS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose to officers and employees of the Federal Bureau of Prisons and of any State agency charged with the responsibility for administration of prisons any returns or return information with respect to individuals incarcerated in Federal or State prison systems whom the Secretary has determined may have filed or facilitated the filing of a false or fraudulent return to the extent that the Secretary determines that such disclosure is necessary to permit effective Federal tax administration.

''(B) DISCLOSURE TO CONTRACTOR-RUN PRISONS.—Under such procedures as the Secretary may prescribe, the disclosures authorized by subparagraph (A) may be made to contractors responsible for the operation of a Federal or State prison on behalf of such Bureau or agency.

''(C) RESTRICTIONS ON USE OF DISCLOSED INFORMATION.—Any return or return information received under this paragraph shall be used only for the purposes of and to the extent necessary in taking administrative action to prevent the filing of false and fraudulent returns, including administrative actions to address possible violations of administrative rules and regulations of the prison facility and in administrative and judicial proceedings arising from such administrative actions.

''(D) RESTRICTIONS ON REDISCLOSURE AND DISCLOSURE TO LEGAL REPRESENTATIVES.—Notwithstanding subsection (h)—

''(i) RESTRICTIONS ON REDISCLOSURE.—Except as provided in clause (ii), any officer, employee, or contractor of the Federal Bureau of Prisons or of any State agency charged with the responsibility for administration of prisons shall not disclose any information obtained under this paragraph to any person other than an officer or employee or contractor of such Bureau or agency personally and directly engaged in the administration of prison facilities on behalf of such Bureau or agency.

''(ii) DISCLOSURE TO LEGAL REPRESENTATIVES.—The returns and return information disclosed under this paragraph may be disclosed to the duly authorized legal representative of the Federal Bureau of Prisons, State agency, or contractor charged with the responsibility for administration of prisons, or of the incarcerated individual accused of filing the false or fraudulent return who is a party to an action or proceeding described in subparagraph (C), solely in preparation for, or for use in, such action or proceeding.''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 6103(a) is amended by inserting ''subsection (k)(10),'' after ''subsection (e)(1)(D)(iii),''.

(2) Paragraph (4) of section 6103(p) is amended—

(A) by inserting ''subsection (k)(10),'' before ''subsection (l)(10),'' in the matter preceding subparagraph (A),

(B) in subparagraph (F)(i)—

(i) by inserting ''(k)(10),'' before ''or (l)(6),'', and

(ii) by inserting ''subsection (k)(10) or'' before ''subsection (l)(10),'', and

(C) by inserting ''subsection (k)(10) or'' before ''subsection (l)(10),'' both places it appears in the matter following subparagraph (F)(iii).

(3) Paragraph (2) of section 7213(a) is amended by inserting ''(k)(10),'' before ''(l)(6),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

TITLE III—BUSINESS TAX EXTENDERS

SEC. 301. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (B) of section 41(h)(1) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) INCLUSION OF QUALIFIED RESEARCH EXPENSES AND GROSS RECEIPTS OF AN ACQUIRED PERSON.—

(1) PARTIAL INCLUSION OF PRE-ACQUISITION QUALIFIED RESEARCH EXPENSES AND GROSS RECEIPTS.—Subparagraph (A) of section 41(f)(3) is amended to read as follows:

''(A) ACQUISITIONS.—

''(i) IN GENERAL.—If a person acquires the major portion of either a trade or business or a separate unit of a trade or business (hereinafter in this paragraph referred to as the 'acquired business') of another person (hereinafter in this paragraph referred to as the 'predecessor'), then the amount of qualified research expenses paid or incurred by the acquiring person during the measurement period shall be increased by the amount determined under clause (ii), and the gross receipts of the acquiring person for such period shall be increased by the amount determined under clause (iii).

''(ii) AMOUNT DETERMINED WITH RESPECT TO QUALIFIED RESEARCH EXPENSES.—The amount determined under this clause is—

''(I) for purposes of applying this section for the taxable year in which such acquisition is made, the acquisition year amount, and

''(II) for purposes of applying this section for any taxable year after the taxable year in which such acquisition is made, the qualified research expenses paid or incurred by the predecessor with respect to the acquired business during the measurement period.

''(iii) AMOUNT DETERMINED WITH RESPECT TO GROSS RECEIPTS.—The amount determined under this clause is the amount which would be determined under clause (ii) if 'the gross receipts of' were substituted for 'the qualified research expenses paid or incurred by' each place it appears in clauses (ii) and (iv).

''(iv) ACQUISITION YEAR AMOUNT.—For purposes of clause (ii), the acquisition year amount is the amount equal to the product of—

''(I) the qualified research expenses paid or incurred by the predecessor with respect to the acquired business during the measurement period, and

''(II) the number of days in the period beginning on the date of the acquisition and ending on the last day of the taxable year in which the acquisition is made,

divided by the number of days in the acquiring person's taxable year.

''(v) SPECIAL RULES FOR COORDINATING TAXABLE YEARS.—In the case of an acquiring person and a predecessor whose taxable years do not begin on the same date—

''(I) each reference to a taxable year in clauses (ii) and (iv) shall refer to the appropriate taxable year of the acquiring person,

''(II) the qualified research expenses paid or incurred by the predecessor, and the gross receipts of the predecessor, during each taxable year of the predecessor any portion of which is part of the measurement period shall be allocated equally among the days of such taxable year,

''(III) the amount of such qualified research expenses taken into account under clauses (ii) and (iv) with respect to a taxable year of the acquiring person shall be equal to the total of the expenses attributable under subclause (II) to the days occurring during such taxable year, and

''(IV) the amount of such gross receipts taken into account under clause (iii) with respect to a taxable year of the acquiring person shall be equal to the total of the gross receipts attributable under subclause (II) to the days occurring during such taxable year.

''(vi) MEASUREMENT PERIOD.—For purposes of this subparagraph, the term 'measurement period' means, with respect to the taxable year of the acquiring person for which the credit is determined, any period of the acquiring person preceding such taxable year which is taken into account for purposes of determining the credit for such year.''.

(2) EXPENSES AND GROSS RECEIPTS OF A PREDECESSOR.—Subparagraph (B) of section 41(f)(3) is amended to read as follows:

''(B) DISPOSITIONS.—If the predecessor furnished to the acquiring person such information as is necessary for the application of subparagraph (A), then, for purposes of applying this section for any taxable year ending after such disposition, the amount of qualified research expenses paid or incurred by, and the gross receipts of, the predecessor during the measurement period (as defined in subparagraph (A)(vi), determined by substituting 'predecessor' for 'acquiring person' each place it appears) shall be reduced by—

''(i) in the case of the taxable year in which such disposition is made, an amount equal to the product of—

''(I) the qualified research expenses paid or incurred by, or gross receipts of, the predecessor with respect to the acquired business during the measurement period (as so defined and so determined), and

''(II) the number of days in the period beginning on the date of acquisition (as determined for purposes of subparagraph (A)(iv)(II)) and ending on the last day of the taxable year of the predecessor in which the disposition is made,

divided by the number of days in the taxable year of the predecessor, and

''(ii) in the case of any taxable year ending after the taxable year in which such disposition is made, the amount described in clause (i)(I).''.

(c) AGGREGATION OF EXPENDITURES.—Paragraph (1) of section 41(f) is amended—

(1) by striking ''shall be its proportionate shares of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, giving rise to the credit'' in subparagraph (A)(ii) and inserting ''shall be determined on a proportionate basis to its share of the aggregate of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, taken into account by such controlled group for purposes of this section'', and

(2) by striking ''shall be its proportionate shares of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, giving rise to the credit'' in subparagraph (B)(ii) and inserting ''shall be determined on a proportionate basis to its share of the aggregate of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, taken into account by all such persons under common control for purposes of this section''.

(d) EFFECTIVE DATE.—

(1) EXTENSION.—The amendments made by subsection (a) shall apply to amounts paid or incurred after December 31, 2011.

(2) MODIFICATIONS.—The amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2011.

SEC. 302. EXTENSION OF TEMPORARY MINIMUM LOW-INCOME TAX CREDIT RATE FOR NON-FEDERALLY SUBSIDIZED NEW BUILDINGS.

(a) IN GENERAL.—Subparagraph (A) of section 42(b)(2) is amended by striking ''and before December 31, 2013'' and inserting ''with respect to housing credit dollar amount allocations made before January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 303. EXTENSION OF HOUSING ALLOWANCE EXCLUSION FOR DETERMINING AREA MEDIAN GROSS INCOME FOR QUALIFIED RESIDENTIAL RENTAL PROJECT EXEMPT FACILITY BONDS.

(a) IN GENERAL.—Subsection (b) of section 3005 of the Housing Assistance Tax Act of 2008 is amended by striking ''January 1, 2012'' each place it appears and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of section 3005 of the Housing Assistance Tax Act of 2008.

SEC. 304. EXTENSION OF INDIAN EMPLOYMENT TAX CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 305. EXTENSION OF NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subparagraph (G) of section 45D(f)(1) is amended by striking ''2010 and 2011'' and inserting ''2010, 2011, 2012, and 2013''.

(b) CARRYOVER OF UNUSED LIMITATION.—Paragraph (3) of section 45D(f) is amended by striking ''2016'' and inserting ''2018''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2011.

SEC. 306. EXTENSION OF RAILROAD TRACK MAINTENANCE CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45G is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2011.

SEC. 307. EXTENSION OF MINE RESCUE TEAM TRAINING CREDIT.

(a) IN GENERAL.—Subsection (e) of section 45N is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 308. EXTENSION OF EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Subsection (f) of section 45P is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2011.

SEC. 309. EXTENSION OF WORK OPPORTUNITY TAX CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 51(c)(4) is amended by striking ''after'' and all that follows and inserting ''after December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after December 31, 2011.

SEC. 310. EXTENSION OF QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Paragraph (1) of section 54E(c) is amended by inserting '', 2012, and 2013'' after ''for 2011''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2011.

SEC. 311. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.

(a) IN GENERAL.—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2011.

SEC. 312. EXTENSION OF 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

SEC. 313. EXTENSION OF ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

SEC. 314. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2011.

SEC. 315. EXTENSION OF INCREASED EXPENSING LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY.

(a) IN GENERAL.—

(1) DOLLAR LIMITATION.—Section 179(b)(1) is amended—

(A) by striking ''2010 or 2011,'' in subparagraph (B) and inserting ''2010, 2011, 2012, or 2013, and'',

(B) by striking subparagraph (C),

(C) by redesignating subparagraph (D) as subparagraph (C), and

(D) in subparagraph (C), as so redesignated, by striking ''2012'' and inserting ''2013''.

(2) REDUCTION IN LIMITATION.—Section 179(b)(2) is amended—

(A) by striking ''2010 or 2011,'' in subparagraph (B) and inserting ''2010, 2011, 2012, or 2013, and'',

(B) by striking subparagraph (C),

(C) by redesignating subparagraph (D) as subparagraph (C), and

(D) in subparagraph (C), as so redesignated, by striking ''2012'' and inserting ''2013''.

(3) CONFORMING AMENDMENT.—Subsection (b) of section 179 is amended by striking paragraph (6).

(b) COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii) is amended by striking ''2013'' and inserting ''2014''.

(c) ELECTION.—Section 179(c)(2) is amended by striking ''2013'' and inserting ''2014''.

(d) SPECIAL RULES FOR TREATMENT OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 179(f)(1) is amended by striking ''2010 or 2011'' and inserting ''2010, 2011, 2012, or 2013''.

(2) CARRYOVER LIMITATION.—

(A) IN GENERAL.—Section 179(f)(4) is amended by striking ''2011'' each place it appears and inserting ''2013''.

(B) CONFORMING AMENDMENT.—Subparagraph (C) of section 179(f)(4) is amended—

(i) in the heading, by striking ''2010'' and inserting ''2010, 2011 AND 2012'', and

(ii) by adding at the end the following: ''For the last taxable year beginning in 2013, the amount determined under subsection (b)(3)(A) for such taxable year shall be determined without regard to this paragraph.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 316. EXTENSION OF ELECTION TO EXPENSE MINE SAFETY EQUIPMENT.

(a) IN GENERAL.—Subsection (g) of section 179E is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

SEC. 317. EXTENSION OF SPECIAL EXPENSING RULES FOR CERTAIN FILM AND TELEVISION PRODUCTIONS.

(a) IN GENERAL.—Subsection (f) of section 181 is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to productions commencing after December 31, 2011.

SEC. 318. EXTENSION OF DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) is amended—

(1) by striking ''first 6 taxable years'' and inserting ''first 8 taxable years'', and

(2) by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 319. EXTENSION OF MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2011.

SEC. 320. EXTENSION OF TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Paragraphs (1)(C)(v) and (2)(C)(v) of section 871(k) are each amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 321. EXTENSION OF RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on January 1, 2012. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2011, and before the date of the enactment of this Act; and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

SEC. 322. EXTENSION OF SUBPART F EXCEPTION FOR ACTIVE FINANCING INCOME.

(a) EXEMPT INSURANCE INCOME.—Paragraph (10) of section 953(e) is amended—

(1) by striking ''January 1, 2012'' and inserting ''January 1, 2014'', and

(2) by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—Paragraph (9) of section 954(h) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2011, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

SEC. 323. EXTENSION OF LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.

(a) IN GENERAL.—Subparagraph (C) of section 954(c)(6) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2011, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 324. EXTENSION OF TEMPORARY EXCLUSION OF 100 PERCENT OF GAIN ON CERTAIN SMALL BUSINESS STOCK.

(a) IN GENERAL.—Paragraph (4) of section 1202(a) is amended—

(1) by striking ''January 1, 2012'' and inserting ''January 1, 2014'', and

(2) by striking ''AND 2011'' and inserting '', 2011, 2012, AND 2013'' in the heading thereof.

(b) TECHNICAL AMENDMENTS.—

(1) SPECIAL RULE FOR 2009 AND CERTAIN PERIOD IN 2010.—Paragraph (3) of section 1202(a) is amended by adding at the end the following new flush sentence:

''In the case of any stock which would be described in the preceding sentence (but for this sentence), the acquisition date for purposes of this subsection shall be the first day on which such stock was held by the taxpayer determined after the application of section 1223.''.

(2) 100 PERCENT EXCLUSION.—Paragraph (4) of section 1202(a) is amended by adding at the end the following new flush sentence:

''In the case of any stock which would be described in the preceding sentence (but for this sentence), the acquisition date for purposes of this subsection shall be the first day on which such stock was held by the taxpayer determined after the application of section 1223.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to stock acquired after December 31, 2011.

(2) SUBSECTION (b)(1).—The amendment made by subsection (b)(1) shall take effect as if included in section 1241(a) of division B of the American Recovery and Reinvestment Act of 2009.

(3) SUBSECTION (b)(2).—The amendment made by subsection (b)(2) shall take effect as if included in section 2011(a) of the Creating Small Business Jobs Act of 2010.

SEC. 325. EXTENSION OF BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2011.

SEC. 326. EXTENSION OF REDUCTION IN S-CORPORATION RECOGNITION PERIOD FOR BUILT-IN GAINS TAX.

(a) IN GENERAL.—Paragraph (7) of section 1374(d) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D), and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) SPECIAL RULE FOR 2012 AND 2013.—For purposes of determining the net recognized built-in gain for taxable years beginning in 2012 or 2013, subparagraphs (A) and (D) shall be applied by substituting '5-year' for '10-year'.'', and

(3) by adding at the end the following new subparagraph:

''(E) INSTALLMENT SALES.—If an S corporation sells an asset and reports the income from the sale using the installment method under section 453, the treatment of all payments received shall be governed by the provisions of this paragraph applicable to the taxable year in which such sale was made.''.

(b) TECHNICAL AMENDMENT.—Subparagraph (B) of section 1374(d)(2) is amended by inserting ''described in subparagraph (A)'' after '', for any taxable year''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 327. EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES.

(a) IN GENERAL.—Clause (i) of section 1391(d)(1)(A) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) INCREASED EXCLUSION OF GAIN ON STOCK OF EMPOWERMENT ZONE BUSINESSES.—Subparagraph (C) of section 1202(a)(2) is amended—

(1) by striking ''December 31, 2016'' and inserting ''December 31, 2018''; and

(2) by striking ''2016'' in the heading and inserting ''2018''.

(c) TREATMENT OF CERTAIN TERMINATION DATES SPECIFIED IN NOMINATIONS.—In the case of a designation of an empowerment zone the nomination for which included a termination date which is contemporaneous with the date specified in subparagraph (A)(i) of section 1391(d)(1) of the Internal Revenue Code of 1986 (as in effect before the enactment of this Act), subparagraph (B) of such section shall not apply with respect to such designation if, after the date of the enactment of this section, the entity which made such nomination amends the nomination to provide for a new termination date in such manner as the Secretary of the Treasury (or the Secretary's designee) may provide.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2011.

SEC. 328. EXTENSION OF TAX-EXEMPT FINANCING FOR NEW YORK LIBERTY ZONE.

(a) IN GENERAL.—Subparagraph (D) of section 1400L(d)(2) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2011.

SEC. 329. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2011.

SEC. 330. MODIFICATION AND EXTENSION OF AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT.

(a) MODIFICATION.—

(1) IN GENERAL.—Subsection (a) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking ''if such corporation'' and all that follows and inserting ''if—

''(1) in the case of a taxable year beginning before January 1, 2012, such corporation—

''(A) is an existing credit claimant with respect to American Samoa, and

''(B) elected the application of section 936 of the Internal Revenue Code of 1986 for its last taxable year beginning before January 1, 2006, and

''(2) in the case of a taxable year beginning after December 31, 2011, such corporation meets the requirements of subsection (e).''.

(2) REQUIREMENTS.—Section 119 of division A of such Act is amended by adding at the end the following new subsection:

''(e) QUALIFIED PRODUCTION ACTIVITIES INCOME REQUIREMENT.—A corporation meets the requirement of this subsection if such corporation has qualified production activities income, as defined in subsection (c) of section 199 of the Internal Revenue Code of 1986, determined by substituting 'American Samoa' for 'the United States' each place it appears in paragraphs (3), (4), and (6) of such subsection (c), for the taxable year.''.

(b) EXTENSION.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended by striking ''shall apply'' and all that follows and inserting ''shall apply—

''(1) in the case of a corporation that meets the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 8 taxable years of such corporation which begin after December 31, 2006, and before January 1, 2014, and

''(2) in the case of a corporation that does not meet the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 2 taxable years of such corporation which begin after December 31, 2011, and before January 1, 2014.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

SEC. 331. EXTENSION AND MODIFICATION OF BONUS DEPRECIATION.

(a) IN GENERAL.—Paragraph (2) of section 168(k) is amended—

(1) by striking ''January 1, 2014'' in subparagraph (A)(iv) and inserting ''January 1, 2015'', and

(2) by striking ''January 1, 2013'' each place it appears and inserting ''January 1, 2014''.

(b) SPECIAL RULE FOR FEDERAL LONG-TERM CONTRACTS.—Clause (ii) of section 460(c)(6)(B) is amended by inserting '', or after December 31, 2012, and before January 1, 2014 (January 1, 2015, in the case of property described in section 168(k)(2)(B))'' before the period.

(c) EXTENSION OF ELECTION TO ACCELERATE THE AMT CREDIT IN LIEU OF BONUS DEPRECIATION.—

(1) IN GENERAL.—Subclause (II) of section 168(k)(4)(D)(iii) is amended by striking ''2013'' and inserting ''2014''.

(2) ROUND 3 EXTENSION PROPERTY.—Paragraph (4) of section 168(k) is amended by adding at the end the following new subparagraph:

''(J) SPECIAL RULES FOR ROUND 3 EXTENSION PROPERTY.—

''(i) IN GENERAL.—In the case of round 3 extension property, this paragraph shall be applied without regard to—

''(I) the limitation described in subparagraph (B)(i) thereof, and

''(II) the business credit increase amount under subparagraph (E)(iii) thereof.

''(ii) TAXPAYERS PREVIOUSLY ELECTING ACCELERATION.—In the case of a taxpayer who made the election under subparagraph (A) for its first taxable year ending after March 31, 2008, a taxpayer who made the election under subparagraph (H)(ii) for its first taxable year ending after December 31, 2008, or a taxpayer who made the election under subparagraph (I)(iii) for its first taxable year ending after December 31, 2010—

''(I) the taxpayer may elect not to have this paragraph apply to round 3 extension property, but

''(II) if the taxpayer does not make the election under subclause (I), in applying this paragraph to the taxpayer the bonus depreciation amount, maximum amount, and maximum increase amount shall be computed and applied to eligible qualified property which is round 3 extension property.

The amounts described in subclause (II) shall be computed separately from any amounts computed with respect to eligible qualified property which is not round 3 extension property.

''(iii) TAXPAYERS NOT PREVIOUSLY ELECTING ACCELERATION.—In the case of a taxpayer who neither made the election under subparagraph (A) for its first taxable year ending after March 31, 2008, nor made the election under subparagraph (H)(ii) for its first taxable year ending after December 31, 2008, nor made the election under subparagraph (I)(iii) for any taxable year ending after December 31, 2010—

''(I) the taxpayer may elect to have this paragraph apply to its first taxable year ending after December 31, 2012, and each subsequent taxable year, and

''(II) if the taxpayer makes the election under subclause (I), this paragraph shall only apply to eligible qualified property which is round 3 extension property.

''(iv) ROUND 3 EXTENSION PROPERTY.—For purposes of this subparagraph, the term 'round 3 extension property' means property which is eligible qualified property solely by reason of the extension of the application of the special allowance under paragraph (1) pursuant to the amendments made by section 331(a) of the American Taxpayer Relief Act of 2012 (and the application of such extension to this paragraph pursuant to the amendment made by section 331(c)(1) of such Act).''.

(d) NORMALIZATION RULES AMENDMENT.—Clause (ii) of section 168(i)(9)(A) is amended by inserting ''(respecting all elections made by the taxpayer under this section)'' after ''such property''.

(e) CONFORMING AMENDMENTS.—

(1) The heading for subsection (k) of section 168 is amended by striking ''JANUARY 1, 2013'' and inserting ''JANUARY 1, 2014''.

(2) The heading for clause (ii) of section 168(k)(2)(B) is amended by striking ''PRE-JANUARY 1, 2013'' and inserting ''PRE-JANUARY 1, 2014''.

(3) Subparagraph (C) of section 168(n)(2) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(4) Subparagraph (D) of section 1400L(b)(2) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(5) Subparagraph (B) of section 1400N(d)(3) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2012, in taxable years ending after such date.

TITLE IV—ENERGY TAX EXTENDERS

SEC. 401. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT EXISTING HOMES.

(a) IN GENERAL.—Paragraph (2) of section 25C(g) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

SEC. 402. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) IN GENERAL.—Paragraph (2) of section 30C(g) is amended by striking ''December 31, 2011.'' and inserting ''December 31, 2013''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

SEC. 403. EXTENSION OF CREDIT FOR 2- OR 3-WHEELED PLUG-IN ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30D is amended by adding at the end the following new subsection:

''(g) CREDIT ALLOWED FOR 2- AND 3-WHEELED PLUG-IN ELECTRIC VEHICLES.—

''(1) IN GENERAL.—In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

''(A) there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the applicable amount with respect to each such qualified 2- or 3-wheeled plug-in electric vehicle placed in service by the taxpayer during the taxable year, and

''(B) the amount of the credit allowed under subparagraph (A) shall be treated as a credit allowed under subsection (a).

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an amount equal to the lesser of—

''(A) 10 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle, or

''(B) $2,500.

''(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN ELECTRIC VEHICLE.—The term 'qualified 2- or 3-wheeled plug-in electric vehicle' means any vehicle which—

''(A) has 2 or 3 wheels,

''(B) meets the requirements of subparagraphs (A), (B), (C), (E), and (F) of subsection (d)(1) (determined by substituting '2.5 kilowatt hours' for '4 kilowatt hours' in subparagraph (F)(i)),

''(C) is manufactured primarily for use on public streets, roads, and highways,

''(D) is capable of achieving a speed of 45 miles per hour or greater, and

''(E) is acquired after December 31, 2011, and before January 1, 2014.''.

(b) CONFORMING AMENDMENTS.—

(1) NO DOUBLE BENEFIT.—Paragraph (2) of section 30D(f) is amended—

(A) by striking ''new qualified plug-in electric drive motor vehicle'' and inserting ''vehicle for which a credit is allowable under subsection (a)'', and

(B) by striking ''allowed under subsection (a)'' and inserting ''allowed under such subsection''.

(2) AIR QUALITY AND SAFETY STANDARDS.—Section 30D(f)(7) is amended by striking ''motor vehicle'' and inserting ''vehicle''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after December 31, 2011.

SEC. 404. EXTENSION AND MODIFICATION OF CELLULOSIC BIOFUEL PRODUCER CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (H) of section 40(b)(6) is amended to read as follows:

''(H) APPLICATION OF PARAGRAPH.—

''(i) IN GENERAL.—This paragraph shall apply with respect to qualified cellulosic biofuel production after December 31, 2008, and before January 1, 2014.

''(ii) NO CARRYOVER TO CERTAIN YEARS AFTER EXPIRATION.—If this paragraph ceases to apply for any period by reason of clause (i), rules similar to the rules of subsection (e)(2) shall apply.''.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 40(e) is amended by striking ''or subsection (b)(6)(H)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in section 15321(b) of the Heartland, Habitat, and Horticulture Act of 2008.

(b) ALGAE TREATED AS A QUALIFIED FEEDSTOCK.—

(1) IN GENERAL.—Subclause (I) of section 40(b)(6)(E)(i) is amended to read as follows:

''(I) is derived by, or from, qualified feedstocks, and''.

(2) QUALIFIED FEEDSTOCK; SPECIAL RULES FOR ALGAE.—Paragraph (6) of section 40(b) is amended by redesignating subparagraphs (F), (G), and (H), as amended by this Act, as subparagraphs (H), (I), and (J), respectively, and by inserting after subparagraph (E) the following new subparagraphs:

''(F) QUALIFIED FEEDSTOCK.—For purposes of this paragraph, the term 'qualified feedstock' means—

''(i) any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis, and

''(ii) any cultivated algae, cyanobacteria, or lemna.

''(G) SPECIAL RULES FOR ALGAE.—In the case of fuel which is derived by, or from, feedstock described in subparagraph (F)(ii) and which is sold by the taxpayer to another person for refining by such other person into a fuel which meets the requirements of subparagraph (E)(i)(II) and the refined fuel is not excluded under subparagraph (E)(iii)—

''(i) such sale shall be treated as described in subparagraph (C)(i),

''(ii) such fuel shall be treated as meeting the requirements of subparagraph (E)(i)(II) and as not being excluded under subparagraph (E)(iii) in the hands of such taxpayer, and

''(iii) except as provided in this subparagraph, such fuel (and any fuel derived from such fuel) shall not be taken into account under subparagraph (C) with respect to the taxpayer or any other person.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 40, as amended by paragraph (2), is amended—

(i) by striking ''cellulosic biofuel'' each place it appears in the text thereof and inserting ''second generation biofuel'',

(ii) by striking ''CELLULOSIC'' in the headings of subsections (b)(6), (b)(6)(E), and (d)(3)(D) and inserting ''SECOND GENERATION'', and

(iii) by striking ''CELLULOSIC'' in the headings of subsections (b)(6)(C), (b)(6)(D), (b)(6)(H), (d)(6), and (e)(3) and inserting ''SECOND GENERATION''.

(B) Clause (ii) of section 40(b)(6)(E) is amended by striking ''Such term shall not'' and inserting ''The term 'second generation biofuel' shall not''.

(C) Paragraph (1) of section 4101(a) is amended by striking ''cellulosic biofuel'' and inserting ''second generation biofuel''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuels sold or used after the date of the enactment of this Act.

SEC. 405. EXTENSION OF INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—

(1) Paragraph (6) of section 6426(c) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(2) Subparagraph (B) of section 6427(e)(6) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2011.

SEC. 406. EXTENSION OF PRODUCTION CREDIT FOR INDIAN COAL FACILITIES PLACED IN SERVICE BEFORE 2009.

(a) IN GENERAL.—Subparagraph (A) of section 45(e)(10) is amended by striking ''7-year period'' each place it appears and inserting ''8-year period''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to coal produced after December 31, 2012.

SEC. 407. EXTENSION AND MODIFICATION OF CREDITS WITH RESPECT TO FACILITIES PRODUCING ENERGY FROM CERTAIN RENEWABLE RESOURCES.

(a) PRODUCTION TAX CREDIT.—

(1) EXTENSION FOR WIND FACILITIES.—Paragraph (1) of section 45(d) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(2) EXCLUSION OF PAPER WHICH IS COMMONLY RECYCLED FROM DEFINITION OF MUNICIPAL SOLID WASTE.—Section 45(c)(6) is amended by inserting '', except that such term does not include paper which is commonly recycled and which has been segregated from other solid waste (as so defined)'' after ''(42 U.S.C. 6903)''.

(3) MODIFICATION TO DEFINITION OF QUALIFIED FACILITY.—

(A) IN GENERAL.—The following provisions of section 45(d), as amended by paragraph (1), are each amended by striking ''before January 1, 2014'' and inserting ''the construction of which begins before January 1, 2014'':

(i) Paragraph (1).

(ii) Paragraph (2)(A)(i).

(iii) Paragraph (3)(A)(i)(I).

(iv) Paragraph (6).

(v) Paragraph (7).

(vi) Paragraph (9)(B).

(vii) Paragraph (11)(B).

(B) CERTAIN CLOSED-LOOP BIOMASS FACILITIES.—Subparagraph (A) of section 45(d)(2) is amended by adding at the end the following new flush sentence:

''For purposes of clause (ii), a facility shall be treated as modified before January 1, 2014, if the construction of such modification begins before such date.''.

(C) CERTAIN OPEN-LOOP BIOMASS FACILITIES.—Clause (ii) of section 45(d)(3)(A) is amended by striking ''is originally placed in service'' and inserting ''the construction of which begins''.

(D) GEOTHERMAL FACILITIES.—

(i) IN GENERAL.—Paragraph (4) of section 45(d) is amended by striking ''and before January 1, 2014'' and all that follows and inserting ''and which—

''(A) in the case of a facility using solar energy, is placed in service before January 1, 2006, or

''(B) in the case of a facility using geothermal energy, the construction of which begins before January 1, 2014.

Such term shall not include any property described in section 48(a)(3) the basis of which is taken into account by the taxpayer for purposes of determining the energy credit under section 48.''.

(E) INCREMENTAL HYDROPOWER PRODUCTION.—Paragraph (9) of section 45(d) is amended—

(i) by redesignating subparagraphs (A) and (B), as amended by subparagraph (A), as clauses (i) and (ii), respectively, and by moving such clauses (as so redesignated) 2 ems to the right,

(ii) by striking ''In the case of a facility'' and inserting the following:

''(A) IN GENERAL.—In the case of a facility'',

(iii) by redesignating subparagraph (C) as subparagraph (B), and

(iv) by adding at the end the following new subparagraph:

''(C) SPECIAL RULE.—For purposes of subparagraph (A)(i), an efficiency improvement or addition to capacity shall be treated as placed in service before January 1, 2014, if the construction of such improvement or addition begins before such date.''.

(b) EXTENSION OF ELECTION TO TREAT QUALIFIED FACILITIES AS ENERGY PROPERTY.—Subparagraph (C) of section 48(a)(5) is amended to read as follows:

''(C) QUALIFIED INVESTMENT CREDIT FACILITY.—For purposes of this paragraph, the term 'qualified investment credit facility' means any facility—

''(i) which is a qualified facility (within the meaning of section 45) described in paragraph (1), (2), (3), (4), (6), (7), (9), or (11) of section 45(d),

''(ii) which is placed in service after 2008 and the construction of which begins before January 1, 2014, and

''(iii) with respect to which—

''(I) no credit has been allowed under section 45, and

''(II) the taxpayer makes an irrevocable election to have this paragraph apply.''.

(c) TECHNICAL CORRECTIONS.—

(1) Subparagraph (D) of section 48(a)(5) is amended—

(A) by striking ''and'' at the end of clause (i)(II),

(B) by striking the period at the end of clause (ii) and inserting a comma, and

(C) by adding at the end the following new clauses:

''(iii) which is constructed, reconstructed, erected, or acquired by the taxpayer, and

''(iv) the original use of which commences with the taxpayer.''.

(2) Paragraphs (1) and (2) of subsection (a) of section 1603 of division B of the American Recovery and Reinvestment Act of 2009 are each amended by striking ''placed in service'' and inserting ''originally placed in service by such person''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) MODIFICATION TO DEFINITION OF MUNICIPAL SOLID WASTE.—The amendments made by subsection (a)(2) shall apply to electricity produced and sold after the date of the enactment of this Act, in taxable years ending after such date.

(3) TECHNICAL CORRECTIONS.—The amendments made by subsection (c) shall apply as if included in the enactment of the provisions of the American Recovery and Reinvestment Act of 2009 to which they relate.

SEC. 408. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT NEW HOMES.

(a) IN GENERAL.—Subsection (g) of section 45L is amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) ENERGY SAVINGS REQUIREMENTS.—Clause (i) of section 45L(c)(1)(A) is amended by striking ''2003 International Energy Conservation Code, as such Code (including supplements) is in effect on the date of the enactment of this section''and inserting ''2006 International Energy Conservation Code, as such Code (including supplements) is in effect on January 1, 2006''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to homes acquired after December 31, 2011.

SEC. 409. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT APPLIANCES.

(a) IN GENERAL.—Section 45M(b) is amended by striking ''2011'' each place it appears other than in the provisions specified in subsection (b) and inserting ''2011, 2012, or 2013''.

(b) PROVISIONS SPECIFIED.—The provisions of section 45M(b) specified in this subsection are subparagraph (C) of paragraph (1) and subparagraph (E) of paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after December 31, 2011.

SEC. 410. EXTENSION AND MODIFICATION OF SPECIAL ALLOWANCE FOR CELLULOSIC BIOFUEL PLANT PROPERTY.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (D) of section 168(l)(2) is amended by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property placed in service after December 31, 2012.

(b) ALGAE TREATED AS A QUALIFIED FEEDSTOCK FOR PURPOSES OF BONUS DEPRECIATION FOR BIOFUEL PLANT PROPERTY.—

(1) IN GENERAL.—Subparagraph (A) of section 168(l)(2) is amended by striking ''solely to produce cellulosic biofuel'' and inserting ''solely to produce second generation biofuel (as defined in section 40(b)(6)(E))''.

(2) CONFORMING AMENDMENTS.—Subsection (l) of section 168, as amended by subsection (a), is amended—

(A) by striking ''cellulosic biofuel'' each place it appears in the text thereof and inserting ''second generation biofuel'',

(B) by striking paragraph (3) and redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively,

(C) by striking ''CELLULOSIC'' in the heading of such subsection and inserting ''SECOND GENERATION'', and

(D) by striking ''CELLULOSIC'' in the heading of paragraph (2) and inserting ''SECOND GENERATION''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

SEC. 411. EXTENSION OF SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.

(a) IN GENERAL.—Paragraph (3) of section 451(i) is amended by striking ''January 1, 2012'' and inserting ''January 1, 2014''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to dispositions after December 31, 2011.

SEC. 412. EXTENSION OF ALTERNATIVE FUELS EXCISE TAX CREDITS.

(a) IN GENERAL.—Sections 6426(d)(5) and 6426(e)(3) are each amended by striking ''December 31, 2011'' and inserting ''December 31, 2013''.

(b) OUTLAY PAYMENTS FOR ALTERNATIVE FUELS.—Paragraph (6) of section 6427(e) is amended—

(1) in subparagraph (C)—

(A) by striking ''or alternative fuel mixture (as defined in subsection (d)(2) or (e)(3) of section 6426)'' and inserting ''(as defined in section 6426(d)(2))'', and

(B) by striking ''December 31, 2011, and'' and inserting ''December 31, 2013,'',

(2) in subparagraph (D)—

(A) by striking ''or alternative fuel mixture'', and

(B) by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(E) any alternative fuel mixture (as defined in section 6426(e)(2)) sold or used after December 31, 2011.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2011.

TITLE V—UNEMPLOYMENT

SEC. 501. EXTENSION OF EMERGENCY UNEMPLOYMENT COMPENSATION PROGRAM.

(a) EXTENSION.—Section 4007(a)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''January 2, 2013'' and inserting ''January 1, 2014''.

(b) FUNDING.—Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(1) in subparagraph (H), by striking ''and'' at the end; and

(2) by inserting after subparagraph (I) the following:

''(J) the amendments made by section 501(a) of the American Taxpayer Relief Act of 2012;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Unemployment Benefits Extension Act of 2012 (Public Law 112–96)

SEC. 502. TEMPORARY EXTENSION OF EXTENDED BENEFIT PROVISIONS.

(a) IN GENERAL.—Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note), is amended—

(1) by striking ''December 31, 2012'' each place it appears and inserting ''December 31, 2013''; and

(2) in subsection (c), by striking ''June 30, 2013'' and inserting ''June 30, 2014''.

(b) EXTENSION OF MATCHING FOR STATES WITH NO WAITING WEEK.—Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking ''June 30, 2013'' and inserting ''June 30, 2014''.

(c) EXTENSION OF MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (d), by striking ''December 31, 2012'' and inserting ''December 31, 2013''; and

(2) in subsection (f)(2), by striking ''December 31, 2012'' and inserting ''December 31, 2013''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Unemployment Benefits Extension Act of 2012 (Public Law 112–96).

SEC. 503. EXTENSION OF FUNDING FOR REEMPLOYMENT SERVICES AND REEMPLOYMENT AND ELIGIBILITY ASSESSMENT ACTIVITIES.

(a) IN GENERAL.—Section 4004(c)(2)(A) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking ''through fiscal year 2013'' and inserting ''through fiscal year 2014''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Unemployment Benefits Extension Act of 2012 (Public Law 112–96).

SEC. 504. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act, as added by section 2006 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) and as amended by section 9 of the Worker, Homeownership, and Business Assistance Act of 2009 (Public Law 111–92), section 505 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111–312), section 202 of the Temporary Payroll Tax Cut Continuation Act of 2011 (Public Law 112–78), and section 2124 of the Unemployment Benefits Extension Act of 2012 (Public Law 112–96), is amended—

(1) by striking ''June 30, 2012'' and inserting ''June 30, 2013''; and

(2) by striking ''December 31, 2012'' and inserting ''December 31, 2013''.

(b) CLARIFICATION ON AUTHORITY TO USE FUNDS.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of enactment of this Act.

(c) FUNDING FOR ADMINISTRATION.—Out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board $250,000 for administrative expenses associated with the payment of additional extended unemployment benefits provided under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act by reason of the amendments made by subsection (a), to remain available until expended.

TITLE VI—MEDICARE AND OTHER HEALTH EXTENSIONS

Subtitle A—Medicare Extensions

SEC. 601. MEDICARE PHYSICIAN PAYMENT UPDATE.

(a) IN GENERAL.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended by adding at the end the following new paragraph:

''(14) UPDATE FOR 2013.—

''(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), (9)(B), (10)(B), (11)(B), (12)(B), and (13)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2013, the update to the single conversion factor for such year shall be zero percent.

''(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR 2014 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for 2014 and subsequent years as if subparagraph (A) had never applied.''.

(b) ADVANCEMENT OF CLINICAL DATA REGISTRIES TO IMPROVE THE QUALITY OF HEALTH CARE.—

(1) IN GENERAL.—Section 1848(m)(3) of the Social Security Act (42 U.S.C. 1395w–4(m)(3)) is amended—

(A) by redesignating subparagraph (D) as subparagraph (F); and

(B) by inserting after subparagraph (C) the following new subparagraphs:

''(D) SATISFACTORY REPORTING MEASURES THROUGH PARTICIPATION IN A QUALIFIED CLINICAL DATA REGISTRY.—For 2014 and subsequent years, the Secretary shall treat an eligible professional as satisfactorily submitting data on quality measures under subparagraph (A) if, in lieu of reporting measures under subsection (k)(2)(C), the eligible professional is satisfactorily participating, as determined by the Secretary, in a qualified clinical data registry (as described in subparagraph (E)) for the year.

''(E) QUALIFIED CLINICAL DATA REGISTRY.—

''(i) IN GENERAL.—The Secretary shall establish requirements for an entity to be considered a qualified clinical data registry. Such requirements shall include a requirement that the entity provide the Secretary with such information, at such times, and in such manner, as the Secretary determines necessary to carry out this subsection.

''(ii) CONSIDERATIONS.—In establishing the requirements under clause (i), the Secretary shall consider whether an entity—

''(I) has in place mechanisms for the transparency of data elements and specifications, risk models, and measures;

''(II) requires the submission of data from participants with respect to multiple payers;

''(III) provides timely performance reports to participants at the individual participant level; and

''(IV) supports quality improvement initiatives for participants.

''(iii) MEASURES.—With respect to measures used by a qualified clinical data registry—

''(I) sections 1890(b)(7) and 1890A(a) shall not apply; and

''(II) measures endorsed by the entity with a contract with the Secretary under section 1890(a) may be used.

''(iv) CONSULTATION.—In carrying out this subparagraph, the Secretary shall consult with interested parties.

''(v) DETERMINATION.—The Secretary shall establish a process to determine whether or not an entity meets the requirements established under clause (i). Such process may involve one or both of the following:

''(I) A determination by the Secretary.

''(II) A designation by the Secretary of one or more independent organizations to make such determination.''.

(2) GAO STUDY AND REPORT ON INCORPORATING REGISTRY DATA INTO THE MEDICARE PROGRAM IN ORDER TO IMPROVE QUALITY AND EFFICIENCY.—

(A) STUDY.—The Comptroller General of the United States shall conduct a study on the potential of clinical data registries to improve the quality and efficiency of care in the Medicare program, including through payment system incentives. Such study shall include an analysis of the role of health information technology in facilitating clinical data registries and the use of data from such registries among private health insurers as well as other entities the Comptroller General determines appropriate.

(B) REPORT.—Not later than November 15, 2013, the Comptroller General of the United States shall submit to Congress a report on the study conducted under subparagraph (A), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

SEC. 602. WORK GEOGRAPHIC ADJUSTMENT.

Section 1848(e)(1)(E) of the Social Security Act (42 U.S.C. 1395w–4(e)(1)(E)) is amended by

striking ''before January 1, 2013'' and inserting ''before January 1, 2014''.

SEC. 603. PAYMENT FOR OUTPATIENT THERAPY SERVICES.

(a) EXTENSION.—Section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) is amended—

(1) in paragraph (5)(A), in the first sentence, by striking ''December 31, 2012'' and inserting ''December 31, 2013''; and

(2) in paragraph (6)—

(A) by striking ''December 31, 2012'' and inserting ''December 31, 2013''; and

(B) by inserting ''or 2013'' after ''during 2012''.

(b) APPLICATION OF THERAPY CAP TO THERAPY FURNISHED AS PART OF OUTPATIENT CRITICAL ACCESS HOSPITAL SERVICES.—Section 1833(g)(6) of the Social Security Act (42 U.S.C. 1395l(g)(6)), as amended by subsection (a), is amended—

(1) by striking ''In applying'' and inserting ''(A) In applying''; and

(2) by adding at the end the following new subparagraph:

''(B)(i) With respect to outpatient therapy services furnished beginning on or after January 1, 2013, and before January 1, 2014, for which payment is made under section 1834(g), the Secretary shall count toward the uniform dollar limitations described in paragraphs (1) and (3) and the threshold described in paragraph (5)(C) the amount that would be payable under this part if such services were paid under section 1834(k)(1)(B) instead of being paid under section 1834(g).

''(ii) Nothing in clause (i) shall be construed as changing the method of payment for outpatient therapy services under section 1834(g).''.

(c) BENEFICIARY PROTECTIONS.—Section 1833(g)(5) of the Social Security Act (42 U.S.C. 1395l(g)(5)) is amended by adding at the end the following new subparagraph:

''(D) With respect to services furnished on or after January 1, 2013, where payment may not be made as a result of application of paragraphs (1) and (3), section 1879 shall apply in the same manner as such section applies to a denial that is made by reason of section 1862(a)(1).''.

(d) IMPLEMENTATION.—Notwithstanding any other provision of law, the Secretary of Health and Human Services may implement the provisions of, and the amendments made by, this section by program instruction or otherwise.

SEC. 604. AMBULANCE ADD-ON PAYMENTS.

(a) GROUND AMBULANCE.—Section 1834(l)(13)(A) of the Social Security Act (42 U.S.C. 1395m(l)(13)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''January 1, 2013'' and inserting ''January 1, 2014''; and

(2) in each of clauses (i) and (ii), by striking ''January 1, 2013'' and inserting ''January 1, 2014'' each place it appears.

(b) AIR AMBULANCE.—Section 146(b)(1) of the Medicare Improvements for Patients and Providers Act of 2008 (Public Law 110–275), as amended by sections 3105(b) and 10311(b) of the Patient Protection and Affordable Care Act (Public Law 111–148), section 106(b) of the Medicare and Medicaid Extenders Act of 2010 (Public Law 111–309), section 306(b) of the Temporary Payroll Tax Cut Continuation Act of 2011 (Public Law 112–78), and section 3007(b) of the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112–96), is amended by striking ''December 31, 2012'' and inserting ''June 30, 2013''.

(c) SUPER RURAL AMBULANCE.—Section 1834(l)(12)(A) of the Social Security Act (42 U.S.C. 1395m(l)(12)(A)) is amended in the first sentence by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

(d) STUDIES OF AMBULANCE COSTS.—

(1) IN GENERAL.—The Secretary of Health and Health and Human Services (in this subsection referred to as the ''Secretary'') shall conduct a study of each of the following:

(A) A study that analyzes data on existing cost reports for ambulance services furnished by hospitals and critical access hospitals, including variation by characteristics of such providers of services.

(B) A study of the feasibility of obtaining cost data on a periodic basis from all ambulance providers of services and suppliers for potential use in examining the appropriateness of the Medicare add-on payments for ground ambulance services furnished under the fee schedule under section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) and in preparing for future reform of such payment system.

(2) COMPONENTS OF ONE OF THE STUDIES.—In conducting the study under paragraph (1)(B), the Secretary shall—

(A) consult with industry on the design of such cost collection efforts;

(B) explore use of cost surveys and cost reports to collect appropriate cost data and the periodicity of such cost data collection;

(C) examine the feasibility of development of a standard cost reporting tool for providers of services and suppliers of ground ambulance services; and

(D) examine the ability to furnish such cost data by various types of ambulance providers of services and suppliers, especially by rural and super-rural providers of services and suppliers.

(3) REPORTS.—

(A) EXISTING COST REPORTS.—Not later than October 1, 2013, the Secretary shall submit a report to Congress on the study conducted under paragraph (1)(A), together with recommendations for such legislation and administrative action as the Secretary determines appropriate.

(B) OBTAINING COST DATA.—Not later than July 1, 2014, the Secretary shall submit a report to Congress on the study conducted under paragraph (1)(B), together with recommendations for such legislation and administrative action as the Secretary determines appropriate.

SEC. 605. EXTENSION OF MEDICARE INPATIENT HOSPITAL PAYMENT ADJUSTMENT FOR LOW-VOLUME HOSPITALS.

Section 1886(d)(12) of the Social Security Act (42 U.S.C. 1395ww(d)(12)) is amended—

(1) in subparagraph (B), in the matter preceding clause (i), by striking ''2013'' and inserting ''2014'';

(2) in subparagraph (C)(i), by striking ''and 2012'' each place it appears and inserting '', 2012, and 2013''; and

(3) in subparagraph (D), by striking ''and 2012'' and inserting '', 2012, and 2013''.

SEC. 606. EXTENSION OF THE MEDICARE-DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(1) in clause (i), by striking ''October 1, 2012'' and inserting ''October 1, 2013''; and

(2) in clause (ii)(II), by striking ''October 1, 2012'' and inserting ''October 1, 2013''.

(b) CONFORMING AMENDMENTS.—

(1) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(A) in the matter preceding clause (i), by striking ''October 1, 2012'' and inserting ''October 1, 2013''; and

(B) in clause (iv), by striking ''through fiscal year 2012'' and inserting ''through fiscal year 2013''.

(2) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note) is amended by striking ''through fiscal year 2012'' and inserting ''through fiscal year 2013''.

SEC. 607. EXTENSION FOR SPECIALIZED MEDICARE ADVANTAGE PLANS FOR SPECIAL NEEDS INDIVIDUALS.

Section 1859(f)(1) of the Social Security Act (42 U.S.C. 1395w–28(f)(1)) is amended by striking ''2014'' and inserting ''2015''.

SEC. 608. EXTENSION OF MEDICARE REASONABLE COST CONTRACTS.

Section 1876(h)(5)(C)(ii) of the Social Security Act (42 U.S.C. 1395mm(h)(5)(C)(ii)) is amended, in the matter preceding subclause (I), by striking ''January 1, 2013'' and inserting ''January 1, 2014''.

SEC. 609. PERFORMANCE IMPROVEMENT.

(a) EXTENSION OF FUNDING FOR CONTRACT WITH CONSENSUS-BASED ENTITY REGARDING PERFORMANCE MEASUREMENT.—

(1) IN GENERAL.—Section 1890(d) of the Social Security Act (42 U.S.C. 1395aaa(d)) is amended by striking ''fiscal years 2009 through 2012'' and inserting ''fiscal years 2009 through 2013''.

(2) REVISION TO DUTIES.—Section 1890(b) of the Social Security Act (42 U.S.C. 1395aaa(b)) is amended by striking paragraph (4).

(b) PROVIDING DATA FOR PERFORMANCE IMPROVEMENT IN A TIMELY MANNER.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall develop a strategy to provide data for performance improvement in a timely manner to applicable providers under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), including with respect to the provision of the following:

(A) Utilization data, including such data for items and services under parts A, B, and D of the Medicare program.

(B) Feedback on quality data submitted by the applicable provider under the Medicare program.

(2) CONSIDERATIONS.—In developing the strategy under paragraph (1), the Secretary shall consider—

(A) the type of applicable provider receiving the data;

(B) the frequency of providing the data so that it can be the most relevant in improving provider performance;

(C) risk adjustment methods;

(D) presentation of the data in a meaningful manner and easily understandable format;

(E) with respect to utilization data, the provision of data that the Secretary determines would be useful to improve the performance of the type of applicable provider involved; and

(F) administrative costs involved with providing data.

(3) SUBMISSION AND AVAILABILITY OF INITIAL STRATEGY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall—

(A) submit to the relevant committees of Congress the strategy described in paragraph (1); and

(B) post such strategy on the website of the Centers for Medicare & Medicaid Services.

(4) STRATEGY UPDATE.—

(A) FEEDBACK FROM STAKEHOLDERS.—The Secretary shall seek feedback from stakeholders on the initial strategy submitted under paragraph (3).

(B) STRATEGY UPDATE.—The Secretary shall—

(i) update the strategy described in paragraph (1) based on the feedback submitted under subparagraph (A); and

(ii) not later than 18 months after the date of the enactment of this Act—

(I) submit such updated strategy to the relevant committees of Congress; and

(II) post such updated strategy on the website of the Centers for Medicare & Medicaid Services.

(5) GAO STUDY AND REPORT ON PRIVATE SECTOR INFORMATION SHARING ACTIVITIES.—

(A) STUDY.—The Comptroller General of the United States (in this paragraph referred to as the ''Comptroller General'') shall conduct a study on information sharing activities. Such study shall include an analysis of—

(i) how private sector entities share timely data with hospitals, physicians, and other providers and what lessons can be learned from those activities;

(ii) how the Medicare program currently shares data with providers, including what data is provided and to which providers, and what divisions within the Centers for Medicare & Medicaid Services oversee those efforts;

(iii) what, if any, differences there are between the private sector and the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in terms of sharing data; and

(iv) what, if any, barriers there are for the Centers for Medicare & Medicaid Services to sharing timely data with applicable providers and recommendations to eliminate or reduce such barriers.

(B) REPORT.—Not later than 8 months after the date of the enactment of this Act, the Comptroller General shall submit to the relevant committees of Congress a report containing the results of the study conducted under subparagraph (A), together with recommendations for such legislation and administrative action as the Comptroller General determines appropriate.

(6) DEFINITIONS.—In this subsection:

(A) APPLICABLE PROVIDER.—The term ''applicable provider'' means the following:

(i) A critical access hospital (as defined in section 1861(mm)(1) of the Social Security Act (42 U.S.C. 1395xx(mm)(1))).

(ii) A hospital (as defined in section 1861(e) of such Act (42 U.S.C. 1395x(e))).

(iii) A physician (as defined in section 1861(r) of such Act (42 U.S.C. 1395x(r))).

(iv) Any other provider the Secretary determines should receive the information described in subsection (a).

(B) PERFORMANCE IMPROVEMENT.—The term ''performance improvement'' means improvements in quality, reducing per capita costs, and other criteria the Secretary determines appropriate.

SEC. 610. EXTENSION OF FUNDING OUTREACH AND ASSISTANCE FOR LOW-INCOME PROGRAMS.

(a) ADDITIONAL FUNDING FOR STATE HEALTH INSURANCE PROGRAMS.—Subsection (a)(1)(B) of section 119 of the Medicare Improvements for Patients and Providers Act of 2008 (42 U.S.C. 1395b–3 note), as amended by section 3306 of the Patient Protection and Affordable Care Act Public Law 111–148), is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by inserting after clause (ii) the following new clause:

''(iii) for fiscal year 2013, of $7,500,000.''.

(b) ADDITIONAL FUNDING FOR AREA AGENCIES ON AGING.—Subsection (b)(1)(B) of such section 119, as so amended, is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by inserting after clause (ii) the following new clause:

''(iii) for fiscal year 2013, of $7,500,000.''.

(c) ADDITIONAL FUNDING FOR AGING AND DISABILITY RESOURCE CENTERS.—Subsection (c)(1)(B) of such section 119, as so amended, is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by inserting after clause (ii) the following new clause:

''(iii) for fiscal year 2013, of $5,000,000.''.

(d) ADDITIONAL FUNDING FOR CONTRACT WITH THE NATIONAL CENTER FOR BENEFITS AND OUTREACH ENROLLMENT.—Subsection (d)(2) of such section 119, as so amended, is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by inserting after clause (ii) the following new clause:

''(iii) for fiscal year 2013, of $5,000,000.''.

Subtitle B—Other Health Extensions

SEC. 621. EXTENSION OF THE QUALIFYING INDIVIDUAL (QI) PROGRAM.

(a) EXTENSION.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv)) is amended by striking ''2012'' and inserting ''2013''.

(b) EXTENDING TOTAL AMOUNT AVAILABLE FOR ALLOCATION.—Section 1933(g) of such Act (42 U.S.C. 1396u–3(g)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (Q), by striking ''and'' after the semicolon;

(B) in subparagraph (R), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

''(S) for the period that begins on January 1, 2013, and ends on September 30, 2013, the total allocation amount is $485,000,000; and

''(T) for the period that begins on October 1, 2013, and ends on December 31, 2013, the total allocation amount is $300,000,000.''; and

(2) in paragraph (3), in the matter preceding subparagraph (A), by striking ''or (R)'' and inserting ''(R), or (T)''.

SEC. 622. EXTENSION OF TRANSITIONAL MEDICAL ASSISTANCE (TMA).

Sections 1902(e)(1)(B) and 1925(f) of the Social Security Act (42 U.S.C. 1396a(e)(1)(B), 1396r–6(f)) are each amended by striking ''2012'' and inserting ''2013''.

SEC. 623. EXTENSION OF MEDICAID AND CHIP EXPRESS LANE OPTION.

Section 1902(e)(13)(I) of the Social Security Act (42 U.S.C. 1396a(e)(13)(I)) is amended by striking ''2013'' and inserting ''2014''.

SEC. 624. EXTENSION OF FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.

Section 501(c)(1)(A)(iii) of the Social Security Act (42 U.S.C. 701(c)(1)(A)(iii)) is amended by striking ''2012'' and inserting ''2013''.

SEC. 625. EXTENSION OF SPECIAL DIABETES PROGRAM FOR TYPE I DIABETES AND FOR INDIANS.

(a) SPECIAL DIABETES PROGRAMS FOR TYPE I DIABETES.—Section 330B(b)(2)(C) of the Public Health Service Act (42 U.S.C. 254c–2(b)(2)(C)) is amended by striking ''2013'' and inserting ''2014''.

(b) SPECIAL DIABETES PROGRAMS FOR INDIANS.—Section 330C(c)(2)(C) of the Public Health Service Act (42 U.S.C. 254c–3(c)(2)(C)) is amended by striking ''2013'' and inserting ''2014''.

Subtitle C—Other Health Provisions

SEC. 631. IPPS DOCUMENTATION AND CODING ADJUSTMENT FOR IMPLEMENTATION OF MS-DRGS.

(a) RULE OF CONSTRUCTION AND CLARIFICATION.—

(1) RULE OF CONSTRUCTION.—Nothing in the amendments made by subsection (b) shall be construed as changing the existing authority under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)) to make prospective documentation and coding adjustments to the standardized amounts under such section 1886(d) to correct for changes in the coding or classification of discharges that do not reflect real changes in case mix.

(2) CLARIFICATION.—Effective on the date of the enactment of this section, except as provided in section 7(b)(1)(B)(ii) of the TMA, Abstinence Education, and QI Programs Extension Act of 2007, as added by subsection (b)(2)(A)(ii)(IV) of this section, the Secretary of Health and Human Services shall not have authority to fully recoup past overpayments related to documentation and coding changes from fiscal years 2008 and 2009.

(b) ADJUSTMENT.—Section 7 of the TMA, Abstinence Education, and QI Programs Extension Act of 2007 (Public Law 110–90; 121 Stat. 986) is amended—

(1) in the heading, by striking ''limitation'' and all that follows through ''adjustment'' and inserting ''documentation and coding adjustments''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in the matter before subparagraph (A)—

(I) by striking ''or 2009'' and inserting '', 2009, or 2010''; and

(II) by inserting ''or otherwise applied for such year'' after ''applied under subsection (a)''; and

(ii) in subparagraph (B)—

(I) by inserting ''(i)'' after ''(B)'';

(II) by striking ''or decrease'';

(III) by striking the period at the end and inserting ''; and''; and

(IV) by adding at the end the following:

''(ii) make an additional adjustment to the standardized amounts under such section 1886(d) based upon the Secretary's estimates for discharges occurring only during fiscal years 2014, 2015, 2016, and 2017 to fully offset $11,000,000,000 (which represents the amount of the increase in aggregate payments from fiscal years 2008 through 2013 for which an adjustment was not previously applied).''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by inserting before the semicolon the following: ''or affecting the Secretary's authority under such paragraph to apply a prospective adjustment to offset aggregate additional payments related to documentation and coding improvements made with respect to discharges during fiscal year 2010''; and

(ii) in subparagraph (B), by striking ''and 2012'' and inserting ''2012, 2014, 2015, 2016, and 2017''.

SEC. 632. REVISIONS TO THE MEDICARE ESRD BUNDLED PAYMENT SYSTEM TO REFLECT FINDINGS IN THE GAO REPORT.

(a) ADJUSTMENT TO ESRD BUNDLED PAYMENT RATE TO ACCOUNT FOR CHANGES IN THE UTILIZATION OF CERTAIN DRUGS AND BIOLOGICALS.—Section 1881(b)(14) of the Social Security Act (42 U.S.C. 1395rr(b)(14)) is amended by adding at the end the following new subparagraph:

''(I) For services furnished on or after January 1, 2014, the Secretary shall, by comparing per patient utilization data from 2007 with such data from 2012, make reductions to the single payment that would otherwise apply under this paragraph for renal dialysis services to reflect the Secretary's estimate of the change in the utilization of drugs and biologicals described in clauses (ii), (iii), and (iv) of subparagraph (B) (other than oral-only ESRD-related drugs, as such term is used in the final rule promulgated by the Secretary in the Federal Register on August 12, 2010 (75 Fed. Reg. 49030)). In making reductions under the preceding sentence, the Secretary shall take into account the most

recently available data on average sales prices and changes in prices for drugs and biological reflected in the ESRD market basket percentage increase factor under subparagraph (F).''.

(b) TWO-YEAR DELAY OF IMPLEMENTATION OF ORAL-ONLY ESRD-RELATED DRUGS IN THE ESRD PROSPECTIVE PAYMENT SYSTEM; MONITORING.—

(1) DELAY.—The Secretary of Health and Human Services may not implement the policy under section 413.174(f)(6) of title 42, Code of Federal Regulations (relating to oral-only ESRD-related drugs in the ESRD prospective payment system), prior to January 1, 2016.

(2) MONITORING.—With respect to the implementation of oral-only ESRD-related drugs in the ESRD prospective payment system under subsection (b)(14) of section 1881 of the Social Security Act (42 U.S.C. 1395rr(b)(14)), the Secretary of Health and Human Services shall monitor the bone and mineral metabolism of individuals with end stage renal disease.

(c) ANALYSIS OF CASE MIX PAYMENT ADJUSTMENTS.—By not later than January 1, 2016, the Secretary of Health and Human Services shall—

(1) conduct an analysis of the case mix payment adjustments being used under section 1881(b)(14)(D)(i) of the Social Security Act (42 U.S.C. 1395rr(b)(14)(D)(i)); and

(2) make appropriate revisions to such case mix payment adjustments.

(d) UPDATED GAO REPORT.—Not later than December 31, 2015, the Comptroller General of the United States shall submit to Congress a report that updates the report submitted to Congress under section 10336 of the Patient Protection and Affordable Care Act (Public Law 111–148; 124 Stat. 974). The updated report shall include an analysis of how the Secretary of Health and Human Services has addressed points raised in the report submitted under such section 10336 with respect to the Secretary's preparations to implement payment for oral-only ESRD-related drugs in the bundled prospective payment system under section 1881(b)(14) of the Social Security Act (42 U.S.C. 1395rr(b)(14)).

SEC. 633. TREATMENT OF MULTIPLE SERVICE PAYMENT POLICIES FOR THERAPY SERVICES.

(a) SERVICES FURNISHED BY PHYSICIANS AND CERTAIN OTHER PROVIDERS.—Section 1848(b)(7) of the Social Security Act (42 U.S.C. 1395w–4(b)(7)) is amended—

(1) by striking ''2011,'' and inserting ''2011, and before April 1, 2013,''; and

(2) by adding at the end the following new sentence: ''In the case of such services furnished on or after April 1, 2013, and for which payment is made under such fee schedules, instead of the 25 percent multiple procedure payment reduction specified in such final rule, the reduction percentage shall be 50 percent.''.

(b) SERVICES FURNISHED BY OTHER PROVIDERS.—Section 1834(k) of the Social Security Act (42 U.S.C. 1395m(k)) is amended by adding at the end the following new paragraph:

''(7) ADJUSTMENT IN DISCOUNT FOR CERTAIN MULTIPLE THERAPY SERVICES.—In the case of therapy services furnished on or after April 1, 2013, and for which payment is made under this subsection pursuant to the applicable fee schedule amount (as defined in paragraph (3)), instead of the 25 percent multiple procedure payment reduction specified in the final rule published by the Secretary in the Federal Register on November 29, 2010, the reduction percentage shall be 50 percent.''.

SEC. 634. PAYMENT FOR CERTAIN RADIOLOGY SERVICES FURNISHED UNDER THE MEDICARE HOSPITAL OUTPATIENT DEPARTMENT PROSPECTIVE PAYMENT SYSTEM.

Section 1833(t)(16) of the Social Security Act (42 U.S.C. 1395l(t)(16)) is amended by adding at the end the following new subparagraph:

''(D) SPECIAL PAYMENT RULE.—

''(i) IN GENERAL.—In the case of covered OPD services furnished on or after April 1, 2013, in a hospital described in clause (ii), if—

''(I) the payment rate that would otherwise apply under this subsection for stereotactic radiosurgery, complete course of treatment of cranial lesion(s) consisting of 1 session that is multi-source Cobalt 60 based (identified as of January 1, 2013, by HCPCS code 77371 (and any succeeding code) and reimbursed as of such date under APC 0127 (and any succeeding classification group)); exceeds

''(II) the payment rate that would otherwise apply under this subsection for linear accelerator based stereotactic radiosurgery, complete course of therapy in one session (identified as of January 1, 2013, by HCPCS code G0173 (and any succeeding code) and reimbursed as of such date under APC 0067 (and any succeeding classification group)),

the payment rate for the service described in subclause (I) shall be reduced to an amount equal to the payment rate for the service described in subclause (II).

''(ii) HOSPITAL DESCRIBED.—A hospital described in this clause is a hospital that is not—

''(I) located in a rural area (as defined in section 1886(d)(2)(D));

''(II) classified as a rural referral center under section 1886(d)(5)(C); or

''(III) a sole community hospital (as defined in section 1886(d)(5)(D)(iii)).

''(iii) NOT BUDGET NEUTRAL.—In making any budget neutrality adjustments under this subsection for 2013 (with respect to covered OPD services furnished on or after April 1, 2013, and before January 1, 2014) or a subsequent year, the Secretary shall not take into account the reduced expenditures that result from the application of this subparagraph.''.

SEC. 635. ADJUSTMENT OF EQUIPMENT UTILIZATION RATE FOR ADVANCED IMAGING SERVICES.

Section 1848 of the Social Security Act (42 U.S.C. 1395w–4) is amended—

(1) in subsection (b)(4)(C)—

(A) by striking ''and subsequent years'' and inserting '', 2012, and 2013''; and

(B) by adding at the end the following new sentence: ''With respect to fee schedules established for 2014 and subsequent years, in such methodology, the Secretary shall use a 90 percent utilization rate.''; and

(2) in subsection (c)(2)(B)(v)(III), by striking ''change in the utilization rate applicable to 2011, as described in'' and inserting ''changes in the utilization rate applicable to 2011 and 2014, as described in the first and second sentence, respectively, of''.

SEC. 636. MEDICARE PAYMENT OF COMPETITIVE PRICES FOR DIABETIC SUPPLIES AND ELIMINATION OF OVERPAYMENT FOR DIABETIC SUPPLIES.

(a) APPLICATION OF COMPETITIVE BIDDING PRICES FOR DIABETIC SUPPLIES.—Section 1834(a)(1) of the Social Security Act (42 U.S.C. 1395m(a)(1)) is amended—

(1) in subparagraph (F), in the matter preceding clause (i), by striking ''subparagraph (G)'' and inserting ''subparagraphs (G) and (H)''; and

(2) by adding at the end the following new subparagraph:

''(H) DIABETIC SUPPLIES.—

''(i) IN GENERAL.—On or after the date described in clause (ii), the payment amount under this part for diabetic supplies, including testing strips, that are non-mail order items (as defined by the Secretary) shall be equal to the single payment amounts established under the national mail order competition for diabetic supplies under section 1847.

''(ii) DATE DESCRIBED.—The date described in this clause is the date of the implementation of the single payment amounts under the national mail order competition for diabetic supplies under section 1847.''.

(b) OVERPAYMENT ELIMINATION FOR DIABETIC SUPPLIES.—Section 1834(a) of the Social Security Act (42 U.S.C. 1395m(a)) is amended by adding at the end the following new paragraph:

''(22) SPECIAL PAYMENT RULE FOR DIABETIC SUPPLIES.—Notwithstanding the preceding provisions of this subsection, for purposes of determining the payment amount under this subsection for diabetic supplies furnished on or after the first day of the calendar quarter during 2013 that is at least 30 days after the date of the enactment of this paragraph and before the date described in paragraph (1)(H)(ii), the Secretary shall recalculate and apply the covered item update under paragraph (14) as if subparagraph (J)(i) of such paragraph was amended by striking 'but only if furnished through mail order'.''.

SEC. 637. MEDICARE PAYMENT ADJUSTMENT FOR NON-EMERGENCY AMBULANCE TRANSPORTS FOR ESRD BENEFICIARIES.

Section 1834(l) of the Social Security Act (42 U.S.C. 1395m(l)) is amended by adding at the end the following new paragraph:

''(15) PAYMENT ADJUSTMENT FOR NON-EMERGENCY AMBULANCE TRANSPORTS FOR ESRD BENEFICIARIES.—The fee schedule amount otherwise applicable under the preceding provisions of this subsection shall be reduced by 10 percent for ambulance services furnished on or after October 1, 2013, consisting of non-emergency basic life support services involving transport of an individual with end-stage renal disease for renal dialysis services (as described in section 1881(b)(14)(B)) furnished other than on an emergency basis by a provider of services or a renal dialysis facility.''.

SEC. 638. REMOVING OBSTACLES TO COLLECTION OF OVERPAYMENTS.

(a) IN GENERAL.—The last sentence of subsections (b) and (c) of section 1870 of the Social Security Act (42 U.S.C. 1395gg) are each amended—

(1) by striking ''third year'' and inserting ''fifth year''; and

(2) by striking ''three-year'' and inserting ''five-year''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 639. MEDICARE ADVANTAGE CODING INTENSITY ADJUSTMENT.

Section 1853(a)(1)(C)(ii)(III) of the Social Security Act (42 U.S.C. 1395w–23(a)(1)(C)(ii)(III)) is amended—

(1) by striking ''1.3 percentage points'' and inserting ''1.5 percentage points''; and

(2) by striking ''5.7 percent'' and inserting ''5.9 percent''.

SEC. 640. ELIMINATION OF ALL FUNDING FOR THE MEDICARE IMPROVEMENT FUND.

Section 1898(b)(1) of the Social Security Act (42 U.S.C. 1395iii(b)(1)) is amended by striking subparagraphs (A), (B), and (C) and inserting the following new subparagraphs:

''(A) fiscal year 2014, $0; and

''(B) fiscal year 2015, $0.''.

SEC. 641. REBASING OF STATE DSH ALLOTMENTS.

Section 1923(f)(8) of the Social Security Act (42 U.S.C. 1396r–4(f)(8)) is amended to read as follows:

''(8) SPECIAL RULES FOR CALCULATING DSH ALLOTMENTS FOR CERTAIN FISCAL YEARS.—

''(A) FISCAL YEAR 2021.—Only with respect to fiscal year 2021, the DSH allotment for a State, in lieu of the amount determined under paragraph (3) for the State for that year, shall be equal to the DSH allotment for the State as reduced under paragraph (7) for fiscal year 2020, increased, subject to subparagraphs (B) and (C) of paragraph (3), and paragraph (5), by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average), for fiscal year 2020.

''(B) FISCAL YEAR 2022.—Only with respect to fiscal year 2022, the DSH allotment for a State, in lieu of the amount determined under paragraph (3) for the State for that year, shall be equal to the DSH allotment for the State for fiscal year 2021, as determined under subparagraph (A), increased, subject to subparagraphs (B) and (C) of paragraph (3), and paragraph (5), by the percentage change in the consumer price index for all urban consumers (all items; U.S. city average), for fiscal year 2021.

''(C) SUBSEQUENT FISCAL YEARS.—The DSH allotment for a State for fiscal years after fiscal year 2022 shall be calculated under paragraph (3) without regard to this paragraph and paragraph (7).''.

SEC. 642. REPEAL OF CLASS PROGRAM.

(a) REPEAL.—Title XXXII of the Public Health Service Act (42 U.S.C. 300ll et seq.; relating to the CLASS program) is repealed.

(b) CONFORMING CHANGES.—

(1) Title VIII of the Patient Protection and Affordable Care Act (Public Law 111–148; 124 Stat. 119, 846–847) is repealed.

(2) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(A) by striking paragraphs (81) and (82);

(B) in paragraph (80), by inserting ''and'' at the end; and

(C) by redesignating paragraph (83) as paragraph (81).

(3) Paragraphs (2) and (3) of section 6021(d) of the Deficit Reduction Act of 2005 (42 U.S.C. 1396p note) are amended to read as such paragraphs were in effect on the day before the date of the enactment of section 8002(d) of the Patient Protection and Affordable Care Act (Public Law 111–148). Of the funds appropriated by paragraph (3) of such section 6021(d), as amended by the Patient Protection and Affordable Care Act, the unobligated balance is rescinded.

SEC. 643. COMMISSION ON LONG-TERM CARE.

(a) ESTABLISHMENT.—There is established a commission to be known as the Commission on Long-Term Care (referred to in this section as the ''Commission'').

(b) DUTIES.—

(1) IN GENERAL.—The Commission shall develop a plan for the establishment, implementation, and financing of a comprehensive, coordinated, and high-quality system that ensures the availability of long-term services and supports for individuals in need of such services and supports, including elderly individuals, individuals with substantial cognitive or functional limitations, other individuals who require assistance to perform activities of daily living, and individuals desiring to plan for future long-term care needs.

(2) EXISTING HEALTH CARE PROGRAMS.—For purposes of developing the plan described in paragraph (1), the Commission shall provide recommendations for—

(A) addressing the interaction of a long-term services and support system with existing programs for long-term services and supports, including the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) and the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), and private long-term care insurance;

(B) improvements to such health care programs that are necessary for ensuring the availability of long-term services and supports; and

(C) issues related to workers who provide long-term services and supports, including—

(i) whether the number of such workers is adequate to provide long-term services and supports to individuals with long-term care needs;

(ii) workforce development necessary to deliver high-quality services to such individuals;

(iii) development of entities that have the capacity to serve as employers and fiscal agents for workers who provide long-term services and supports in the homes of such individuals; and

(iv) addressing gaps in Federal and State infrastructure that prevent delivery of high-quality long term services and supports to such individuals.

(3) ADDITIONAL CONSIDERATIONS.—For purposes of developing the plan described in paragraph (1), the Commission shall take into account projected demographic changes and trends in the population of the United States, as well as the potential for development of new technologies, delivery systems, or other mechanisms to improve the availability and quality of long-term services and supports.

(4) CONSULTATION.—For purposes of developing the plan described in paragraph (1), the Commission shall consult with the Medicare Payment Advisory Commission, the Medicaid and CHIP Payment and Access Commission, the National Council on Disability, and relevant consumer groups.

(c) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, to be appointed not later than 30 days after the date of enactment of this Act, as follows:

(A) The President of the United States shall appoint 3 members.

(B) The majority leader of the Senate shall appoint 3 members.

(C) The minority leader of the Senate shall appoint 3 members.

(D) The Speaker of the House of Representatives shall appoint 3 members.

(E) The minority leader of the House of Representatives shall appoint 3 members.

(2) REPRESENTATION.—The membership of the Commission shall include individuals who—

(A) represent the interests of—

(i) consumers of long-term services and supports and related insurance products, as well as their representatives;

(ii) older adults;

(iii) individuals with cognitive or functional limitations;

(iv) family caregivers for individuals described in clause (i), (ii), or (iii);

(v) the health care workforce who directly provide long-term services and supports;

(vi) private long-term care insurance providers;

(vii) employers;

(viii) State insurance departments; and

(ix) State Medicaid agencies;

(B) have demonstrated experience in dealing with issues related to long-term services and supports, health care policy, and public and private insurance; and

(C) represent the health care interests and needs of a variety of geographic areas and demographic groups.

(3) CHAIRMAN AND VICE-CHAIRMAN.—The Commission shall elect a chairman and vice chairman from among its members.

(4) VACANCIES.—Any vacancy in the membership of the Commission shall be filled in the manner in which the original appointment was made and shall not affect the power of the remaining members to execute the duties of the Commission.

(5) QUORUM.—A quorum shall consist of 8 members of the Commission, except that 4 members may conduct a hearing under subsection (e)(1).

(6) MEETINGS.—The Commission shall meet at the call of its chairman or a majority of its members.

(7) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—

(A) IN GENERAL.—To enable the Commission to exercise its powers, functions, and duties, there are authorized to be disbursed by the Senate the actual and necessary expenses of the Commission approved by the chairman and vice chairman, subject to subparagraph (B) and the rules and regulations of the Senate.

(B) MEMBERS.—Members of the Commission are not entitled to receive compensation for service on the Commission. Members may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Commission.

(d) STAFF AND ETHICAL STANDARDS.—

(1) STAFF.—The chairman and vice chairman of the Commission may jointly appoint and fix the compensation of staff as they deem necessary, within the guidelines for employees of the Senate and following all applicable rules and employment requirements of the Senate.

(2) ETHICAL STANDARDS.—Members of the Commission who serve in the House of Representatives shall be governed by the ethics rules and requirements of the House. Members of the Senate who serve on the Commission and staff of the Commission shall comply with the ethics rules of the Senate.

(e) POWERS.—

(1) HEARINGS AND OTHER ACTIVITIES.—For the purpose of carrying out its duties, the Commission may hold such hearings and undertake such other activities as the Commission determines to be necessary to carry out its duties.

(2) STUDIES BY GENERAL ACCOUNTING OFFICE.—Upon the request of the Commission, the Comptroller General of the United States shall conduct such studies or investigations as the Commission determines to be necessary to carry out its duties.

(3) COST ESTIMATES BY CONGRESSIONAL BUDGET OFFICE.—Upon the request of the Commission, the Director of the Congressional Budget Office shall provide to the Commission such cost estimates as the Commission determines to be necessary to carry out its duties.

(4) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, without reimbursement, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) TECHNICAL ASSISTANCE.—Upon the request of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties.

(6) USE OF MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies.

(7) OBTAINING INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out its duties, if the information may be disclosed under section 552 of title 5, United States Code. Upon request of the Chairman of the Commission, the head of

such agency shall furnish such information to the Commission.

(8) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) COMMISSION CONSIDERATION.—

(1) APPROVAL OF REPORT AND LEGISLATIVE LANGUAGE.—

(A) IN GENERAL.—Not later than 6 months after appointment of the members of the Commission (as described in subsection (c)(1)), the Commission shall vote on a comprehensive and detailed report based on the long-term care plan described in subsection (b)(1) that contains any recommendations or proposals for legislative or administrative action as the Commission deems appropriate, including proposed legislative language to carry out the recommendations or proposals (referred to in this section as the ''Commission bill'').

(B) APPROVAL BY MAJORITY OF MEMBERS.—The Commission bill shall require the approval of a majority of the members of the Commission.

(2) TRANSMISSION OF COMMISSION BILL.—

(A) IN GENERAL.—If the Commission bill is approved by the Commission pursuant to paragraph (1), then not later than 10 days after such approval, the Commission shall submit the Commission bill to the President, the Vice President, the Speaker of the House of Representatives, and the majority and minority Leaders of each House on Congress.

(B) COMMISSION BILL TO BE MADE PUBLIC.—Upon the approval or disapproval of the Commission bill pursuant to paragraph (1), the Commission shall promptly make such proposal, and a record of the vote, available to the public.

(g) TERMINATION.—The Commission shall terminate 30 days after the vote described in subsection (f)(1).

(h) CONSIDERATION OF COMMISSION RECOMMENDATIONS.—If approved by the majority required by subsection (f)(1), the Commission bill that has been submitted pursuant to subsection (f)(2)(A) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the majority leader of the Senate or by a Member of the Senate designated by the majority leader of the Senate and shall be introduced in the House of Representatives (by request) on the next legislative day by the majority leader of the House or by a member of the House designated by the majority leader of the House.

SEC. 644. CONSUMER OPERATED AND ORIENTED PLAN PROGRAM CONTINGENCY FUND.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish a fund to be used to provide assistance and oversight to qualified nonprofit health insurance issuers that have been awarded loans or grants under section 1322 of the Patient Protection and Affordable Care Act (42 U.S.C. 18042) prior to the date of enactment of this Act.

(b) TRANSFER AND RESCISSION.—

(1) TRANSFER.—From the unobligated balance of funds appropriated under section 1322(g) of the Patient Protection and Affordable Care Act (42 U.S.C. 18042(g)), 10 percent of such sums are hereby transferred to the fund established under subsection (a) to remain available until expended.

(2) RESCISSION.—Except as provided for in paragraph (1), amounts appropriated under section 1322(g) of the Patient Protection and Affordable Care Act (42 U.S.C. 18042(g)) that are unobligated as of the date of enactment of this Act are rescinded.

TITLE VII—EXTENSION OF AGRICULTURAL PROGRAMS

SEC. 701. 1-YEAR EXTENSION OF AGRICULTURAL PROGRAMS.

(a) EXTENSION.—Except as otherwise provided in this section and amendments made by this section and notwithstanding any other provision of law, the authorities provided by each provision of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1651) and each amendment made by that Act (and for mandatory programs at such funding levels), as in effect on September 30, 2012, shall continue, and the Secretary of Agriculture shall carry out the authorities, until the later of—

(1) September 30, 2013; or

(2) the date specified in the provision of that Act or amendment made by that Act.

(b) COMMODITY PROGRAMS.—

(1) IN GENERAL.—The terms and conditions applicable to a covered commodity or loan commodity (as those terms are defined in section 1001 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702)) or to peanuts, sugarcane, or sugar beets for the 2012 crop year pursuant to title I of that Act (7 U.S.C. 8702 et seq.) and each amendment made by that title shall be applicable to the 2013 crop year for that covered commodity, loan commodity, peanuts, sugarcane, or sugar beets.

(2) MILK.—

(A) IN GENERAL.—Notwithstanding subsection (a), the Secretary of Agriculture shall carry out the dairy product price support program under section 1501 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8771) through December 31, 2013.

(B) MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is amended by striking ''2012'' each place it appears in subsections (c)(3), (d)(1), (d)(2), (e)(2)(A), (g), and (h)(1) and inserting ''2013''.

(3) SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITIES.—The provisions of law specified in subsections (a) through (c) of section 1602 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8782) shall be suspended—

(A) for the 2013 crop or production year of a covered commodity (as that term is defined in section 1001 of that Act (7 U.S.C. 8702)), peanuts, sugarcane, and sugar, as appropriate; and

(B) in the case of milk, through December 31, 2013.

(c) CONSERVATION PROGRAMS.—

(1) CONSERVATION RESERVE.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended in the second sentence by striking ''and 2012'' and inserting ''2012, and 2013''.

(2) VOLUNTARY PUBLIC ACCESS.—Section 1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb–5) is amended by striking subsection (f) and inserting the following:

''(f) FUNDING.—

''(1) FISCAL YEARS 2009 THROUGH 2012.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to the maximum extent practicable, $50,000,000 for the period of fiscal years 2009 through 2012.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2013.''.

(d) SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

(1) EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by inserting '', except that for fiscal year 2013, the amount shall be $79,000,000'' before the period at the end.

(2) NUTRITION EDUCATION.—Section 28(d)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(d)(1)) is amended—

(A) in subparagraph (A), by striking ''and'' after the semicolon at the end; and

(B) by striking subparagraph (B) and inserting the following:

''(B) for fiscal year 2012, $388,000,000;

''(C) for fiscal year 2013, $285,000,000;

''(D) for fiscal year 2014, $401,000,000;

''(E) for fiscal year 2015, $407,000,000; and

''(F) for fiscal year 2016 and each subsequent fiscal year, the applicable amount during the preceding fiscal year, as adjusted to reflect any increases for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.''.

(e) RESEARCH PROGRAMS.—

(1) ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.—Section 1672B(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b(f)) is amended—

(A) in the heading of paragraph (1), by striking ''IN GENERAL'' and inserting ''MANDATORY FUNDING FOR FISCAL YEARS 2009 THROUGH 2012'';

(B) in the heading of paragraph (2), by striking ''ADDITIONAL FUNDING'' and inserting ''DISCRETIONARY FUNDING FOR FISCAL YEARS 2009 THROUGH 2012''; and

(C) by adding at the end the following:

''(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal year 2013.''.

(2) SPECIALTY CROP RESEARCH INITIATIVE.—Section 412(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(h)) is amended—

(A) in the heading of paragraph (1), by striking ''IN GENERAL'' and inserting ''MANDATORY FUNDING FOR FISCAL YEARS 2008 THROUGH 2012'';

(B) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2008 THROUGH 2012'' after ''APPROPRIATIONS'';

(C) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(D) by inserting after paragraph (2) the following:

''(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2013.''.

(3) BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.—Section 7405(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(h)) is amended—

(A) in the heading of paragraph (1), by striking ''IN GENERAL'' and inserting ''MANDATORY FUNDING FOR FISCAL YEARS 2009 THROUGH 2012'';

(B) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2008 THROUGH 2012'' after ''APPROPRIATIONS''; and

(C) by adding at the end the following:

''(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $30,000,000 for fiscal year 2013.''.

(f) ENERGY PROGRAMS.—

(1) BIOBASED MARKETS PROGRAM.—Section 9002(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(h)) is amended in paragraph (2) by striking ''2012'' and inserting ''2013''.

(2) BIOREFINERY ASSISTANCE.—Section 9003(h)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(h)(2)) is amended by striking ''2012'' and inserting ''2013''.

(3) REPOWERING ASSISTANCE.—Section 9004(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)(2)) is amended by striking ''2012'' and inserting ''2013''.

(4) BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.—Section 9005(g)(2) of the Farm Security and Rural Investment Act of 2002 (7

U.S.C. 8105(g)(2)) is amended by striking ''2012'' and inserting ''2013''.

(5) BIODIESEL FUEL EDUCATION PROGRAM.—Section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106) is amended by striking subsection (d) and inserting the following:

''(d) FUNDING.—

''(1) FISCAL YEARS 2009 THROUGH 2012.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $1,000,000 for each of fiscal years 2008 through 2012.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for fiscal year 2013.''.

(6) RURAL ENERGY FOR AMERICA PROGRAM.—Section 9007(g)(3) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)(3)) is amended by striking ''2012'' and inserting ''2013''.

(7) BIOMASS RESEARCH AND DEVELOPMENT.—Section 9008(h)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)(2)) is amended by striking ''2012'' and inserting ''2013''.

(8) RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.—Section 9009(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8109(d)) is amended by striking ''2012'' and inserting ''2013''.

(9) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.—Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended in paragraphs (1)(A) and (2)(A) by striking ''2012'' each place it appears and inserting ''2013''.

(10) BIOMASS CROP ASSISTANCE PROGRAM.—Section 9011(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111(f)) is amended—

(A) by striking ''(f) FUNDING.—Of the funds'' and inserting ''(f) FUNDING.—

''(1) FISCAL YEARS 2008 THROUGH 2012.—Of the funds''; and

(B) adding at the end the following:

''(2) FISCAL YEAR 2013.—

''(A) IN GENERAL.—There is authorized to be appropriated to carry out this section $20,000,000 for fiscal year 2013.

''(B) MULTIYEAR CONTRACTS.—For each multiyear contract entered into by the Secretary during a fiscal year under this paragraph, the Secretary shall ensure that sufficient funds are obligated from the amounts appropriated for that fiscal year to fully cover all payments required by the contract for all years of the contract.''.

(11) FOREST BIOMASS FOR ENERGY.—Section 9012(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8112(d)) is amended by striking ''2012'' and inserting ''2013''.

(12) COMMUNITY WOOD ENERGY PROGRAM.—Section 9013(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(e)) is amended by striking ''2012'' and inserting ''2013''.

(g) HORTICULTURE AND ORGANIC AGRICULTURE PROGRAMS.—

(1) FARMERS MARKET PROMOTION PROGRAM.—Section 6(e) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005(e)) is amended—

(A) in the heading of paragraph (1), by striking ''IN GENERAL'' and inserting ''FISCAL YEARS 2008 THROUGH 2012'';

(B) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

(C) by inserting after paragraph (1) the following:

''(2) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2013.'';

(D) in paragraph (3) (as so redesignated), by striking ''paragraph (1)'' and inserting ''paragraph (1) or (2)''; and

(E) in paragraph (5) (as so redesignated), by striking ''paragraph (2)'' and inserting ''paragraph (3)''.

(2) NATIONAL CLEAN PLANT NETWORK.—Section 10202(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761(e)) is amended—

(A) by striking ''Of the funds'' and inserting the following:

''(1) FISCAL YEARS 2009 THROUGH 2012.—Of the funds''; and

(B) by adding at the end the following:

''(2) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out the Program $5,000,000 for fiscal year 2013.''.

(3) NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.—Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is amended—

(A) in subsection (a), by striking ''Of funds of the Commodity Credit Corporation, the Secretary of Agriculture (acting through the Agricultural Marketing Service) shall use $22,000,000 for fiscal year 2008, to remain available until expended, to'' and inserting ''The Secretary of Agriculture (acting through the Agricultural Marketing Service) shall''; and

(B) by adding at the end the following:

''(d) FUNDING.—

''(1) MANDATORY FUNDING FOR FISCAL YEARS 2008 THROUGH 2012.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $22,000,000 for the period of fiscal years 2008 through 2012.

''(2) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $22,000,000 for fiscal year 2013, to remain available until expended.''.

(4) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)) is amended—

(A) in the heading of paragraph (1), by striking ''IN GENERAL'' and inserting ''MANDATORY FUNDING THROUGH FISCAL YEAR 2012'';

(B) in the heading of paragraph (2), by striking ''ADDITIONAL FUNDING'' and inserting ''DISCRETIONARY FUNDING FOR FISCAL YEARS 2008 THROUGH 2012''; and

(C) by adding at the end the following:

''(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $5,000,000, to remain available until expended.''.

(h) OUTREACH AND TECHNICAL ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.—Section 2501(a)(4) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(4)) is amended—

(1) in the heading of subparagraph (A), by striking ''IN GENERAL'' and inserting ''FISCAL YEARS 2009 THROUGH 2012'';

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively;

(3) by inserting after subparagraph (A) the following:

''(B) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section $20,000,000 for fiscal year 2013.'';

(4) in subparagraph (C) (as so redesignated), by striking ''subparagraph (A)'' and inserting ''subparagraph (A) or (B)''; and

(5) in subparagraph (D) (as so redesignated), by striking ''subparagraph (A)'' and inserting ''subparagraph (A) or (B)''.

(i) EXCEPTIONS.—

(1) IN GENERAL.—Subsection (a) does not apply with respect to mandatory funding provided by programs authorized by provisions of law amended by subsections (d) through (h).

(2) CONSERVATION.—Subsection (a) does not apply with respect to the programs specified in paragraphs (3)(B), (4), (6), and (7) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)), relating to the conservation stewardship program, farmland protection program, environmental quality incentives program, and wildlife habitat incentives program, for which program authority was extended through fiscal year 2014 by section 716 of Public Law 112–55 (125 Stat. 582).

(3) TRADE.—Subsection (a) does not apply with respect to the following provisions of law:

(A) Section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1726c) relating to the use of Commodity Credit Corporation funds to support local and regional food aid procurement projects.

(B) Section 3107(l)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l)(1)) relating to the use of Commodity Credit Corporation funds to carry out the McGovern-Dole International Food for Education and Child Nutrition Program.

(4) SURVEY OF FOODS PURCHASED BY SCHOOL FOOD AUTHORITIES.—Subsection (a) does not apply with respect to section 4307 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1893) relating to the use of Commodity Credit Corporation funds for a survey and report regarding foods purchased by school food authorities.

(5) RURAL DEVELOPMENT.—Subsection (a) does not apply with respect to the following provisions of law:

(A) Section 379E(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s(d)(1)), relating to funding of the rural microentrepreneur assistance program.

(B) Section 6029 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1955) relating to funding of pending rural development loan and grant applications.

(C) Section 231(b)(7)(A) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)(7)(A)), relating to funding of value-added agricultural market development program grants.

(D) Section 375(e)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(B)) relating to the use of Commodity Credit Corporation funds for the National Sheep Industry Improvement Center.

(6) MARKET LOSS ASSISTANCE FOR ASPARAGUS PRODUCERS.—Subsection (a) does not apply with respect to section 10404(d) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2112).

(7) SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.—Subsection (a) does not apply with respect to section 531 of the Federal Crop Insurance Act (7 U.S.C. 1531) and title IX of the Trade Act of 1974 (19 U.S.C. 2497 et seq.) relating to the provision of supplemental agricultural disaster assistance.

(8) PIGFORD CLAIMS.—Subsection (a) does not apply with respect to section 14012 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2209) relating to determination on the merits of Pigford claims.

(9) HEARTLAND, HABITAT, HARVEST, AND HORTICULTURE ACT OF 2008.—Subsection (a) does not apply with respect to title XV of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2246), and amendments made by that title, relating to the provision of supplemental agricultural disaster assistance under title IX of the Trade Act of 1974 (19 U.S.C. 2497 et seq.), certain revenue and tax provisions, and certain trade benefits and other matters.

(j) EFFECTIVE DATE.—Except as otherwise provided in this section, this section and the amendments made by this section take effect on the earlier of—

(1) the date of the enactment of this Act; or

(2) September 30, 2012.

SEC. 702. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) IN GENERAL.—Section 531 of the Federal Crop Insurance Act (7 U.S.C. 1531) is amended—

(1) in subsection (a)(5)—

(A) in the matter preceding clause (i), by striking the first ''under''; and

(B) by redesignating clauses (i) through (iii) as subparagraphs (A), (B), and (C), respectively, and indenting appropriately;

(2) in subsection (c)—

(A) in paragraph (1), by striking ''use such sums as are necessary from the Trust Fund to''; and

(B) by adding at the end the following:

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $80,000,000 for each of fiscal years 2012 and 2013.'';

(3) in subsection (d)—

(A) in paragraph (2), by striking ''use such sums as are necessary from the Trust Fund to''; and

(B) by adding at the end the following:

''(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $400,000,000 for each of fiscal years 2012 and 2013.'';

(4) in subsection (e)—

(A) in paragraph (1), by striking ''use up to $50,000,000 per year from the Trust Fund to''; and

(B) by adding at the end the following:

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2012 and 2013.'';

(5) in subsection (f)—

(A) in paragraph (2)(A), by striking ''use such sums as are necessary from the Trust Fund to''; and

(B) by adding at the end the following:

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $20,000,000 for each of fiscal years 2012 and 2013.''; and

(6) in subsection (i), by inserting ''or, in the case of subsections (c) through (f), September 30, 2013'' after ''2011,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2012.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 901. STRATEGIC DELIVERY SYSTEMS.

(a) IN GENERAL.—Paragraph 3 of section 495(c) of title 10, United States Code,, as added by section 1035 of the National Defense Authorization Act for Fiscal Year 2013, is amended—

(1) by striking ''that'' before ''the Russian Federation'' and inserting ''whether''; and

(2) by inserting ''strategic'' before ''arms control obligations''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the National Defense Authorization Act for Fiscal Year 2013.

SEC. 902. NO COST OF LIVING ADJUSTMENT IN PAY OF MEMBERS OF CONGRESS.

Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 2013.

TITLE IX—BUDGET PROVISIONS

Subtitle A—Modifications of Sequestration

SEC. 1001. TREATMENT OF SEQUESTER.

(a) ADJUSTMENT.—Section 251A(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subparagraph (C), by striking ''and'' after the semicolon;

(2) in subparagraph (D), by striking the period and inserting'' ; and''; and

(3) by inserting at the end the following:

''(E) for fiscal year 2013, reducing the amount calculated under subparagraphs (A) through (D) by $24,000,000,000.''.

(b) AFTER SESSION SEQUESTER.—Notwithstanding any other provision of law, the fiscal year 2013 spending reductions required by section 251(a)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be evaluated and implemented on March 27, 2013.

(c) POSTPONEMENT OF BUDGET CONTROL ACT SEQUESTER FOR FISCAL YEAR 2013.—Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in paragraph (4), by striking ''January 2, 2013'' and inserting ''March 1, 2013''; and

(2) in paragraph (7)(A), by striking ''January 2, 2013'' and inserting ''March 1, 2013''.

(d) ADDITIONAL ADJUSTMENTS.—

(1) SECTION 251.—Paragraphs (2) and (3) of section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 are amended to read as follows:

''(2) for fiscal year 2013—

''(A) for the security category, as defined in section 250(c)(4)(B), $684,000,000,000 in budget authority; and

''(B) for the nonsecurity category, as defined in section 250(c)(4)(A), $359,000,000,000 in budget authority;

''(3) for fiscal year 2014—

''(A) for the security category, $552,000,000,000 in budget authority; and

''(B) for the nonsecurity category, $506,000,000,000 in budget authority;''.

(e) 2013 SEQUESTER.—On March 1, 2013, the President shall order a sequestration for fiscal year 2013 pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by this section, pursuant to which, only for the purposes of the calculation in sections 251A(5)(A), 251A(6)(A), and 251A(7)(A), section 251(c)(2) shall be applied as if it read as follows:

''(2) For fiscal year 2013—

''(A) for the security category, $544,000,000,000 in budget authority; and

''(B) for the nonsecurity category, $499,000,000,000 in budget authority;''.

SEC. 1002. AMOUNTS IN APPLICABLE RETIREMENT PLANS MAY BE TRANSFERRED TO DESIGNATED ROTH ACCOUNTS WITHOUT DISTRIBUTION.

(a) IN GENERAL.—Section 402A(c)(4) is amended by adding at the end the following:

''(E) SPECIAL RULE FOR CERTAIN TRANSFERS.—In the case of an applicable retirement plan which includes a qualified Roth contribution program—

''(i) the plan may allow an individual to elect to have the plan transfer any amount not otherwise distributable under the plan to a designated Roth account maintained for the benefit of the individual,

''(ii) such transfer shall be treated as a distribution to which this paragraph applies which was contributed in a qualified rollover contribution (within the meaning of section 408A(e)) to such account, and

''(iii) the plan shall not be treated as violating the provisions of section 401(k)(2)(B)(i), 403(b)(7)(A)(i), 403(b)(11), or 457(d)(1)(A), or of section 8433 of title 5, United States Code, solely by reason of such transfer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transfers after December 31, 2012, in taxable years ending after such date.

Subtitle B—Budgetary Effects

SEC. 1011. BUDGETARY EFFECTS.

(a) PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) SENATE PAYGO SCORECARD.—The budgetary effects of this Act shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

SA 3449. Mr. PRYOR (for Mr. NELSON of Florida (for himself and Mrs. HUTCHISON)) proposed an amendment to the bill H.R. 6586, to extend the application of certain space launch liability provisions through 2014; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Space Exploration Sustainability Act''.

SEC. 2. ASSURANCE OF CORE CAPABILITIES.

Section 203 of the National Aeronautics and Space Administration Authorization Act of 2010 (42 U.S.C. 18313) is amended by adding at the end the following:

''(c) SENSE OF CONGRESS REGARDING HUMAN SPACE FLIGHT CAPABILITY ASSURANCE.—It is the sense of Congress that the Administrator shall proceed with the utilization of the ISS, technology development, and follow-on transportation systems (including the Space Launch System, multi-purpose crew vehicle, and commercial crew and cargo transportation capabilities) under titles III and IV of this Act in a manner that ensures—

''(1) that these capabilities remain inherently complementary and interrelated;

''(2) a balance of the development, sustainment, and use of each of these capabilities, which are of critical importance to the viability and sustainability of the U.S. space program; and

''(3) that resources required to support the timely and sustainable development of these capabilities authorized in either title III or title IV of this Act are not derived from a reduction in resources for the capabilities authorized in the other title.''.

''(d) LIMITATION—Nothing in subsection (c) shall apply to or affect any capability authorized by any other title of this Act.''

SEC. 3. EXTENSION OF CERTAIN SPACE LAUNCH LIABILITY PROVISIONS.

Section 50915(f) of title 51, United States Code, is amended by striking ''December 31, 2012'' and inserting ''December 31, 2013''.

SEC. 4. EXEMPTION FROM INKSNA.

Section 7(1)(B) of the Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is amended—

(1) by striking '', or for the purchase of goods or services relating to human space flight, that are''; and

(2) by striking ''prior to July 1, 2016'' and inserting ''prior to December 31, 2020''.

SA 3450. Mr. PRYOR (for Mr. REID) proposed an amendment to the bill H.R. 8, providing for comprehensive tax reform, and for other purposes; as follows:

Amended the title as to read:

An Act entitled the ''American Taxpayer Relief Act of 2012''.

EXTENDING THE APPLICATION OF CERTAIN SPACE LAUNCH LIABILITY PROVISIONS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 6586, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6586) to extend the application of certain space launch liability provisions through 2014.

There being no objection, the Senate proceeded to consider the bill.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Nelson-Hutchison substitute amendment which is at the desk be agreed to; the bill, as amended, be read a third time and passed; the motion to reconsider be laid upon the table, with no intervening action or debate; and that any statements relating to this measure be printed in the RECORD.

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

The amendment (No. 3449) was agreed to, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Space Exploration Sustainability Act''.

SEC. 2. ASSURANCE OF CORE CAPABILITIES.

Section 203 of the National Aeronautics and Space Administration Authorization Act of 2010 (42 U.S.C. 18313) is amended by adding at the end the following:

''(c) SENSE OF CONGRESS REGARDING HUMAN SPACE FLIGHT CAPABILITY ASSURANCE.—It is the sense of Congress that the Administrator shall proceed with the utilization of the ISS, technology development, and follow-on transportation systems (including the Space Launch System, multi-purpose crew vehicle, and commercial crew and cargo transportation capabilities) under titles III and IV of this Act in a manner that ensures—

''(1) that these capabilities remain inherently complementary and interrelated;

''(2) a balance of the development, sustainment, and use of each of these capabilities, which are of critical importance to the viability and sustainability of the U.S. space program; and

''(3) that resources required to support the timely and sustainable development of these capabilities authorized in either title III or title IV of this Act are not derived from a reduction in resources for the capabilities authorized in the other title.''.

''(d) LIMITATION—Nothing in subsection (c) shall apply to or affect any capability authorized by any other title of this Act.''

SEC. 3. EXTENSION OF CERTAIN SPACE LAUNCH LIABILITY PROVISIONS.

Section 50915(f) of title 51, United States Code, is amended by striking ''December 31, 2012'' and inserting ''December 31, 2013''.

SEC. 4. EXEMPTION FROM INKSNA.

Section 7(1)(B) of the Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is amended—

(1) by striking '', or for the purchase of goods or services relating to human space flight, that are''; and

(2) by striking ''prior to July 1, 2016'' and inserting ''prior to December 31, 2020''.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The bill (H.R. 6586), as amended, was passed.

ENDANGERED FISH RECOVERY PROGRAMS EXTENSION ACT OF 2012

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ISSUE RIGHT-OF-WAY PERMITS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Energy Committee be discharged from further consideration of H.R. 6060 and the Senate proceed to its consideration and consideration of Calendar No. 269, S. 302 en bloc.

The PRESIDING OFFICER. Without objection, the clerk will report the bills by title en bloc.

The assistant legislative clerk read as follows:

A bill (H.R. 6060) to amend Public Law 106–392 to maintain annual base funding for the Upper Colorado and San Juan fish recovery programs through fiscal year 2019.

A bill (S. 302) to authorize the Secretary of the Interior to issue right-of-way permits for a natural gas transmission pipeline in nonwilderness areas within the boundary of Denali National Park, and for other purposes.

There being no objection, the Senate proceeded to consider the bills en bloc.

Mr. PRYOR. Mr. President, I ask unanimous consent that the bills be read a third time and passed en bloc, the motions to reconsider be laid upon the table with no intervening action or debate, and that any statements related to the bills be printed in the RECORD.

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

The bill (H.R. 6060) was ordered to a third reading, was read the third time, and passed.

The bill (S. 302) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DENALI NATIONAL PARK AND PRESERVE NATURAL GAS PIPELINE.

(a) DEFINITIONS.—In this section:

(1) APPURTENANCE.—

(A) IN GENERAL.—The term ''appurtenance'' includes cathodic protection or test stations, valves, signage, and buried communication and electric cables relating to the operation of high-pressure natural gas transmission.

(B) EXCLUSIONS.—The term ''appurtenance'' does not include compressor stations.

(2) PARK.—The term ''Park'' means the Denali National Park and Preserve in the State of Alaska.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(b) PERMIT.—The Secretary may issue right-of-way permits for—

(1) a high-pressure natural gas transmission pipeline (including appurtenances) in nonwilderness areas within the boundary of Denali National Park within, along, or near the approximately 7-mile segment of the George Parks Highway that runs through the Park; and

(2) any distribution and transmission pipelines and appurtenances that the Secretary determines to be necessary to provide natural gas supply to the Park.

(c) TERMS AND CONDITIONS.—A permit authorized under subsection (b)—

(1) may be issued only—

(A) if the permit is consistent with the laws (including regulations) generally applicable to utility rights-of-way within units of the National Park System;

(B) in accordance with section 1106(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3166(a)); and

(C) if, following an appropriate analysis prepared in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the route of the right-of-way is the route through the Park with the least adverse environmental effects for the Park; and

(2) shall be subject to such terms and conditions as the Secretary determines to be necessary.

ADOPTIONS OF RUSSIAN CHILDREN BY UNITED STATES CITIZENS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 628, submitted earlier today by Senators LANDRIEU and BLUNT.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 628) expressing the deep disappointment of the Senate in the enactment by the Russia Government of a law ending inter-country adoptions of Russian children by United States citizens and urging the Russia Government to reconsider the law and prioritize the processing of inter-country adoptions involving parentless Russian children who were already matched with United States families before the enactment of the law.

There being no objection, the Senate proceeded to consider the resolution.

Mr. PRYOR. Mr. President, I ask that the Senate proceed to a voice vote on adoption of the resolution.

The PRESIDING OFFICER. Is there further debate on the resolution?

If not, the question is on agreeing to the resolution.

The resolution (S. Res. 628) was agreed to.

Mr. PRYOR. Mr. President, I ask unanimous consent that the preamble be agreed to and the motions to reconsider be made and laid upon the table, with no intervening action or debate.

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

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 628

Whereas United Nations Children's Fund (UNICEF) estimates that there are 740,000 children in Russia living without parental care;

Whereas the Ministry of Science and Education of Russia estimates that 110,000 children live in state institutions in Russia;

Whereas the number of adoptions by Russian families is modest, with only 7,400 domestic adoptions in 2011 compared with 3,400 adoptions of Russian children by families abroad;

Whereas on December 28, 2012, Russian Federation President Vladimir Putin signed

into law legislation entitled ''On Measures Concerning the Implementation of Government Policy on Orphaned Children and those without Parental Care'', which includes language that permanently bans adoptions of Russian children by United States citizens;

Whereas a spokesman for President Putin, Dmitry Peskov, announced that the law is to take effect on January 1, 2013, thereby abrogating the bilateral agreement between Russia and the United States that entered into force on November 1, 2012, and requires both countries to provide one year notice of intent to terminate the agreement;

Whereas 46, and possibly more, inter-country adoptions of Russian children by United States families have already received a final adoption decree from the Russia judicial system, and hundreds of other United States families are in the process of adopting Russian children;

Whereas United Nations Children's Fund released a statement urging the Russia Government to ensure that ''the current plight of the many Russian children in institutions receives priority attention'' and that the Russia Government consider alternatives to institutionalization including ''domestic adoption and inter-country adoption'';

Whereas the United Nations, the Hague Conference on Private International Law, and other international organizations have recognized a child's right to a family as a basic human right worthy of protection;

Whereas the Christian Alliance for Orphans reports that United States families have opened their homes to more than 179,000 orphans from overseas in the last 20 years;

Whereas after China and Ethiopia, Russia is the third most popular country for United States citizens who adopt internationally;

Whereas adoption, both domestic and international, is an important child protection tool and an integral part of child welfare best practices around the world, along with prevention of abandonment and family reunification: and

Whereas more than 60,000 Russia-born children have found safe, permanent, and loving homes with United States families over the last two decades: Now, therefore, be it

Resolved, That the Senate—

(1) affirms that all children deserve a permanent, protective family;

(2) values the long tradition of the United States and Russia Governments working together to find permanent homes for unparented children;

(3) disapproves of the Russia law ending inter-country adoptions of Russian children by United States citizens because it primarily harms vulnerable and voiceless children; and

(4) strongly urges the Russia Government to reconsider the law on humanitarian grounds, in consideration of the well-being of parentless Russian children awaiting a loving and permanent family, and prioritize the processing of inter-country adoptions of Russian children by United States citizens that were initiated before the enactment of the law.

AUTHORIZING DOCUMENT PRODUCTION

Mr. PRYOR. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 629, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 629) to authorize the production of records by the Committee on Armed Services.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, the Committee on Armed Services has received a request from the Secretary of the Air Force seeking access to records of the Committee relating to the Committee's consideration of the 1972 nomination of MG John D. Lavelle to retire at the rank of lieutenant general. That nomination was not confirmed. In 2010, the President nominated Major General Lavelle to be posthumously advanced on the retired list to the rank of general. After the Chairman of the Armed Services Committee requested further information regarding that nomination, the Air Force initiated an independent review of Major General Lavelle's case. That review is being led by the Honorable William H. Webster.

The Secretary of the Air Force requests that Judge Webster and those assisting him in the independent review be granted access to the Committee's executive session documents relating to the 1972 Lavelle nomination. The Chair and Ranking Minority Member of the Committee would like to be able to cooperate with this request by providing access to those conducting this independent review to the requested committee records.

This resolution would authorize the Chairman and Ranking Minority Member of the Committee on Armed Services, acting jointly, to provide records, under appropriate security procedures, from the Committee's 1972 consideration of the Lavelle nomination to those conducting the independent review of Major General Lavelle's case on behalf of the Air Force.

Mr. PRYOR. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the resolution be printed in the RECORD as if read.

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

The resolution (S. Res. 629) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 629

Whereas, the United States Air Force has initiated an independent review of the case of Major General John D. Lavelle, who has been nominated to be advanced posthumously on the retired list to the rank of general;

Whereas, the Committee has received a request from the Secretary of the Air Force that those conducting the independent review of Major General Lavelle's nomination be given access to the Committee's executive session documents relating to Major General Lavelle's 1972 nomination to the rank of lieutenant general on the retired list of the Air Force;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Committee on Armed Services, acting jointly, are authorized to provide, under appropriate security procedures, records from the Committee's executive sessions relating to Major General John D. Lavelle's 1972 nomination to those persons conducting the independent review of Major General Lavelle's case on behalf of the Air Force.

ORDERS FOR TUESDAY, JANUARY 1, 2013

Mr. PRYOR. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 2 p.m. on Tuesday, January 1, 2013; 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 proceed to a period of morning business until 3:30 p.m. for debate only, with Senators permitted to speak therein for up to 10 minutes each.

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

ADJOURNMENT UNTIL 2:00 P.M. TOMORROW

Mr. PRYOR. 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 2:31 a.m., adjourned until Tuesday, January 1, 2013, at 2 p.m.