April 4, 2001, or Thursday, April 5, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, April 24, 2001, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Friday, April 6, 2001, Saturday, April 7, 2001, Sunday, April 8, 2001, or Monday, April 9, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, April 23, 2001, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

Mr. SPECTER. Mr. President, at the outset, let me say to the distinguished Senator from West Virginia, who holds an extraordinary record in this body, and asked me 45 minutes ago if I would mind yielding for a question, I want the RECORD to show that I agreed to yield for a question. I had no idea that the answer would be so long, Mr. President. I thought it worthy of note.

Mr. BYRD. Mr. President, if my dear friend will yield briefly, just that I might apologize to him for the questions having gone on and on and the answers and the joining by other Senators, which I think added to the importance of the question. I think we performed a service. I certainly thank the Senator most kindly.

Mr. SPECTER. Mr. President, like the incident with the Navy plane, no apology is in order. I have worked with the distinguished Senator from West Virginia for many years when he was the Democratic leader and then majority leader, President pro tempore, and chairman of the Appropriations Committee. I greatly admire what he has done.

I sat and listened to the whole proceeding, but I thought it was worth just a minute of the Senate's time to note I yielded for a question and 45 minutes later I got the floor.

AMENDMENT NO. 186

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. HARKIN, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mr. KERRY, Mr. WELLSTONE, Mr. DEWINE, Mrs. MURRAY, Mr. SARBANES, and Ms. SNOWE proposes an amendment numbered 186.

Mr. SPECTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: Increase discretionary health funding by $700,000,000)

On page 28, line 23, increase the amount by $700,000,000.

On page 28, line 24, increase the amount by $700,000,000.

On page 43, line 15, decrease the amount by $700,000,000.

On page 43, line 16, decrease the amount by $700,000,000.

Mr. SPECTER. Mr. President, this is an amendment which adds $700 million to increase the health function in this resolution to assure that the funding for the National Institutes of Health be doubled by the year 2003 as provided for in a resolution of the Senate which goes back to 1997, a 98–0 resolution that we double the funding for the National Institutes of Health. The offset for the $700 million comes from the 920 account, I am advised, which is allowances on administrative costs across the board.

The funding for the National Institutes of Health is a priority second to none. There is nothing more important than health. The National Institutes of Health have made extraordinary progress in their efforts to combat the most serious maladies which confront Americans, and for that matter, people around the world. Among those diseases, including, but not necessarily limited to, are Alzheimer's disease, Parkinson's, epilepsy, cancer of the prostate, breast cancer, cervical cancer, leukemia, melanoma, hearing research, heart disease, stroke, AIDS, and diabetes. I could go on and on and on.

Our effort to secure this funding has been a rather bumpy road. We have managed to persevere. In 1998, Senator HARKIN and I led the attack with a resolution to add $1.1 billion to the health function and the amendment was defeated 63–37. We came back the next year, having sustained that loss for $1 billion and doubled the request to $2 billion. Again the amendment was defeated, but this time by a lesser vote of 57–41.

In those 2 years, notwithstanding the failure of our efforts to get an increase in the budget resolution, we took out our sharp pencils and as a matter of priorities allocated the extra billion in fiscal year 1998 and the $2 billion extra in fiscal year 1999. In fiscal year 2000 we, again, offered an amendment to the budget resolution, this time of $1.4 billion to the health function over and above the $600 million which had been provided by the Budget Committee. This time we lost again by a narrowing vote of 47–52. Again, we found the extra funds as a matter of priority by allocating funds within the overall budget for the subcommittee which has jurisdiction over labor, health, human services, and education.

In fiscal year 2001, we offered an amendment to the budget resolution to add $1.6 billion to the health function. This time, for the first time, the budget resolution was passed 55–45. Our efforts were rewarded with increases over that 4-year period of affirmative votes: 37, to 41, to 47, and finally to 55.

This year, on February 13, Senator HARKIN and I had as additional cosponsors: Senators BREAUX, COCHRAN, COLLINS, DEWINE, FRIST, HUTCHINSON, MIKULSKI, MURRAY, SANTORUM, SARBANES, SCHUMER, and SNOWE on S. Res. 19, the Biomedical Revitalization Resolution of 2001.

This year the administration has come forward with $2.750 billion, so it was necessary only to increase by $700 million. We could not do a figure in less than $100 million amounts under the resolution rules which would enable us to come to the $3.4 billion target which is necessary to keep us on the path to doubling the NIH budget within the 5-year period as called for in the resolution from 1997 which, as I say, passed 98–0.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. CONRAD. Mr. President, would the Senator from Pennsylvania yield for questions on my time?

Mr. SPECTER. I yield.

Mr. CONRAD. I thank the Senator from Pennsylvania for his leadership on this issue. He has brought this body a long way. We have seen it over a number of years by his persistence and persuasion. I publicly acknowledge the leadership he has provided in an area that is critically important. I have seen in the lives of some of my constituents how important the NIH can be and what an incredible contribution it has made to improving health research and extending the longevity of the lives of the American people. The Senator from Pennsylvania can be very proud of his advocacy.

As I understand the Senator's amendment, it provides $700 million to the National Institutes of Health in the fiscal year 2002, is that correct?

Mr. SPECTER. Yes.

Mr. CONRAD. The source of funding for that would be out of the projected surplus for that year?

Mr. SPECTER. No, as I am advised by the experts, out of the 920 account which covers allowances and administrative costs.

Mr. CONRAD. If that is the case, I think it may well be we will support

that amendment on this side. I have to check with other colleagues, as I am sure the Senator is aware, in order to give that answer. We are in the process of doing that. Perhaps as we go through that process of checking with other Senators, we can find out what their disposition is. We may be able to either accept this amendment or go to a quick vote on this amendment. We will try to get an answer quickly.

Mr. SPECTER. I thank the distinguished Senator from North Dakota for those comments. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CONRAD. The Senator from Iowa has arrived.

Mr. HARKIN. I seek time to speak on behalf of this amendment of my colleague.

Mr. CONRAD. I yield 10 minutes to the Senator from Iowa.

Mr. SPECTER. If the Senator from Iowa will yield, I talked about the cosponsors of the earlier resolution we offered. Let me note that I have offered this on behalf of Senators HARKIN, HUTCHINSON, MIKULSKI, COLLINS, LANDRIEU, KERRY, WELLSTONE, MURRAY, DEWINE, SNOWE, and SARBANES, as well as myself.

I yield to my colleague from Iowa.

Mr. HARKIN. Mr. President, I am pleased to stand with my colleague and subcommittee chairman, Senator SPECTER, to offer this important amendment to the budget resolution. We stand at the cusp of a revolution that I believe will result in the overthrow of disease and disability in this country. At no time in our history have we been so close to major advances in the fight against killer diseases. Every day we read about major breakthroughs in medical research: AIDS vaccine, decoding the DNA letters that make up the human genome, new therapy for breast cancer, less invasive surgical techniques. This resolution is a direct result of our investment in medical research.

Four years ago the Senate went on record 98–0 committing to double the NIH budget over 5 years. We are well on our way to doing that. Over the past 3 years, Senator SPECTER and I have made good on that pledge by providing the biggest increases ever for medical research. Last year we were able to provide an unprecedented $2.5 billion, or 15-percent increase, for NIH. We worked hard to make it happen, and I thank all of my Senate colleagues, both Republicans and Democrats, who worked with us on this historic accomplishment.

Unfortunately, if we pass this budget resolution as it is, we will fall short of the 15-percent increase needed to maintain the commitment that 98 Senators made to doubling the NIH budget over 5 years. But if we pass this budget resolution as it is, we will fall short of keeping that commitment.

This budget resolution in fact shortchanges Americans' health. At the same time, this budget skimps on basic investments in America's health care. It also cuts taxes for the wealthiest 1 percent of Americans by almost $700 billion. What this budget should do is spend the additional $3.4 billion needed to ensure that all Americans, no matter what income, can live healthy and productive lives. In this budget, that is only .4 percent of a tax cut for the wealthiest; .4 percent of the tax cut just for the wealthiest Americans would help us fulfill our commitment of doubling medical research at NIH.

In the next 30 years the number of Americans over age 65 will double. Medical research and its discoveries are essential to reduce the enormous economic and social toll posed by chronic diseases that impact our elderly, from Alzheimer's and arthritis, to cancer, Parkinson's, and stroke disease.

Let's take Alzheimer's disease. Just the other day Senator SPECTER chaired a hearing with researchers doing cutting-edge work on Alzheimer's, and we also had patients there, some of whom were diagnosed as having Alzheimer's. One of the witnesses was John Wagenaar of Georgia, IA. He was diagnosed with Alzheimer's at age 60, at the prime of his life, working at a manufacturing plant, taking pride in his children and grandchildren, looking forward to retirement. But in spite of this devastating diagnosis, he is a lucky man. Thanks to medical research, he can now take a pill that has slowed the course of the disease so now he can even continue to work and enjoy his family. John Wagenaar can hope, along with the rest of us, that a drug will soon come on the market that will not just slow Alzheimer's disease but actually stop it.

Researchers have made extraordinary advances in recent years. A decade ago—just 10 years ago—there were no Alzheimer's drugs on the market. Today there are four, and more are on the way. Scientists have developed a vaccine. We saw startling pictures of this at our hearing yesterday. When tested on mice, it takes away, it wards off, the brain-clogging deposits that are associated with Alzheimer's. Plans are now underway to test this vaccine in humans.

We are clearly on the verge of breakthroughs on Alzheimer's and in other areas. At no time in our history have we been so close to major advances in the fight against killer diseases. Now is the time to boost our investment to make sure our Nation's top scientists can turn these dreams into reality.

The amendment Senator SPECTER has offered, which I am proud to cosponsor, is very simple. It ensures the budget resolution will include $3.4 billion for the National Institutes of Health for fiscal year 2002. It is a commonsense amendment. It is bipartisan. It is the right thing to do. We have gone too far now to cut back and to slow down. Millions of Americans, our families, our loved ones, our friends, and our neighbors all over this country are counting on us not to back down in this fight against the diseases that still plague us.

As I said, we have made major strides against Alzheimer's, Parkinson's disease, stroke disease. We have made great strides in doing things that help alleviate the struggle many people have with mental illness. We have come a long way. Now we are on the cusp of finding the interventions, the vaccines, the drugs that will alleviate this human suffering and make life better for so many people. Now is not the time to turn back.

This budget resolution before us would say that investing in NIH is not that important. This budget resolution says investing in medical research is not as important as giving a big tax cut to people who make over $1 million a year.

I disagree with that priority. I believe the priority is elsewhere. Mr. President, .4 percent, that is all it takes. Four-tenths of 1 percent of the tax cuts of those Americans in the top 1-percent bracket would pay for us keeping our commitment to fund medical research at NIH.

I wholeheartedly support this amendment. I hope it has strong bipartisan support on the Senate floor.

I yield my time.

Mr. BOND. Mr. President, a quick word on why I voted against the Specter amendment which made extra room in the budget for $700 million in National Institutes of Health research spending.

I voted against the NIH amendment not because I oppose the valuable research that NIH does, but rather because I wanted to draw attention to the fact that we risk focusing on NIH spending to the exclusion of other important initiatives.

Biomedical research at NIH is important, but we must recognize we have other priorities as well.

The NIH is important, but so is the basic scientific research that we do at the National Science Foundation. Basic research is the foundation on which applied science and technology rests. Understanding how the world works has applications in every field, including health. Without increased funding for basic research, we will soon find that our basic scientific understanding is too limited to get the maximum value from the applied research NIH does.

The NIH is important, but so are community health centers. These local clinics provide basic primary care services to close to 12 million Americans at

over 3,000 sites in medically-underserved urban and rural communities across the country. Yet the demand is still great—millions are still uninsured, and millions more simply don't have access to health care providers. The NIH does great work expanding the high-tech envelope of medicine, but the people that health centers serve often cannot get even low-tech services like immunizations and basic doctor visits.

The NIH is important, but so are children's hospitals. These priceless resources care for our sickest children, train a significant portion of our children's doctors, and themselves perform much of the pediatric research that NIH funds. But for three decades we have not treated these children's teaching hospitals fairly. Through the Medicare program, we have provided billions of dollars to help other teaching hospitals train physicians. But until recently, we barely gave children's hospitals pocket change to support their physician training. We still do not have parity between children's hospitals and other teaching hospitals, we need to get there.

I support the President's budget and his tax cut, and thus I supported this budget resolution, at least as it was introduced. Knowing that the appropriations bills that actually provide funds for all of these priorities will be written later this year, I was content to bide my time and deal with funding totals then.

But when the NIH amendment was brought up earlier, I started to worry. Would our focus during this debate be only on the NIH, and not in other areas? Would this mean that later appropriations bills thus focus only on the NIH and ignore others areas? Would the NIH become the guest at the dinner party who stays too long and eats everyone else's food? We must not let this happen.

We voted to make room in the budget for a total increase in NIH spending of $3.5 billion, more than 16 percent above the current spending level. None of these other important programs, the National Science Foundation, community health centers, children's hospitals, receive anywhere close to that much of an increase.

In the remaining time here on the budget resolution, I intend to offer amendments that will address each of these priorities. I hope the Senate will recognize that they are just as important as the vital work the NIH does. And I hope to see those amendments pass in a similarly overwhelming way.

Mr. DOMENICI. Mr. President, whatever time Senator SPECTER had I yield back.

Mr. CONRAD. We yield back our time on our side as well.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on behalf of Senator SPECTER.

The PRESIDING OFFICER. The yeas and nays have already been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The senior assistant bill clerk proceeded to call the roll.

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

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

The question is on agreeing to amendment No. 186. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 96, nays 4, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—96

Akaka	Dorgan	Lott
Allard	Durbin	Lugar
Allen	Edwards	McCain
Baucus	Ensign	McConnell
Bayh	Enzi	Mikulski
Bennett	Feingold	Miller
Biden	Feinstein	Murkowski
Bingaman	Fitzgerald	Murray
Boxer	Frist	Nelson (FL)
Breaux	Graham	Nelson (NE)
Brownback	Gramm	Nickles
Bunning	Grassley	Reed
Burns	Hagel	Reid
Byrd	Harkin	Roberts
Campbell	Hatch	Rockefeller
Cantwell	Helms	Santorum
Carnahan	Hollings	Sarbanes
Carper	Hutchinson	Schumer
Chafee	Hutchison	Sessions
Cleland	Inhofe	Shelby
Clinton	Inouye	Smith (OR)
Cochran	Jeffords	Snowe
Collins	Johnson	Specter
Conrad	Kennedy	Stabenow
Corzine	Kerry	Stevens
Craig	Kohl	Thomas
Crapo	Kyl	Thompson
Daschle	Landrieu	Thurmond
Dayton	Leahy	Torricelli
DeWine	Levin	Warner
Dodd	Lieberman	Wellstone
Domenici	Lincoln	Wyden

NAYS—4

Bond	Smith (NH)
Gregg	Voinovich

The amendment (No. 186) was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Under the agreement, is the next business of the Senate the Landrieu-Cleland amendment on national defense?

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. How much time is available on that amendment?

The PRESIDING OFFICER. One hour evenly divided; 30 minutes per side.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I will be sending an amendment to the desk in just a few moments on behalf of myself and Senator CARNAHAN to correct the RECORD. We will be offering this amendment together this afternoon, along with Senator CORZINE, Senator BREAUX, Senator LIEBERMAN, Senator LEVIN, Senator GRAHAM, Senator NELSON, and Senator REED. There may be others who will be joining us in offering what we hope will be a bipartisan amendment because this is surely a principle that both Democrats and Republicans have supported for many years.

Before I get to my prepared remarks, I thank my colleagues, Senator CONRAD and Senator DOMENICI, for their fine work in handling this debate. I will begin by giving a very graphic description of our national defense outlays as a share of GDP.

It is helpful for our party, for the other side, and for our constituents to understand that these numbers have varied widely and fluctuated dramatically based on the current needs and crisis at hand.

As my colleagues can see, we were spending in the 1940s almost 40 percent of our gross domestic product when this country geared up to fight the greatest war machine ever built in the history of the world, when we defended the world. Then we came down to a low of below 5 percent as we recovered from that war and then had to invest again for the Korean war.

This number has fluctuated wildly. I hope this chart can be seen clearly because it is very important for the public to get a sense of this debate and to understand why this amendment is so important and why I am hoping we will have many Members support it.

This is an effort to improve the budget resolution we are debating, and it is a very important debate clearly for the future of our Nation.

As one can see, we came down a great amount in spending, of course, from the 1950s to the current year of 2001, and rightly so perhaps because we used this as a peace dividend. The world generally being at peace, we were able to contribute to our economy, to investments in other areas, and to stabilizing our budget. This was done in a bipartisan fashion.

We can see under President Reagan's leadership these numbers went up slightly, which is referred to as the Reagan buildup, but the numbers have come down. Both candidates for President, Governor Bush and now, of course, President Bush, and Vice President Gore talked about the need to stabilize this line, to make strategic investments now, to not allow this line to continue to slide because the world is not becoming safer. The cold war may be over, but there are still many challenges.

In addition, there has been study upon study, speech upon speech given by our chairman, our ranking member,

and members of the committee talking about the time to invest now in our military to help turn around this sliding line; to help stabilize. Words they used: Let's be reliable; let's reinvest in our men and women; let's increase morale; let's improve housing; let's recapitalize. This amendment is a modest step toward that end.

To remind all, during the 2000 election campaign, President Bush made a very compelling national security address at the Citadel, a military school with a rich tradition of history and honor. While we commonly refer to that as the ''Citadel speech,'' the speech has a name. President Bush entitled his remarks that day ''A Period of Consequences.''

That title is not just a casual descriptive phrase. It has an important legacy. It was first used by a man facing the most consequential period in his nation's history—Sir Winston Churchill.

Assuming the reins of power at a time when Britain was threatened by the greatest war machine ever created, Churchill proclaimed:

> The era of procrastination, of half-measures, of soothing and baffling expedients, of delays, is coming to a close. In its place, we are entering a period of consequences.

When he cited those remarks last September, President Bush was right. I agree with him, and so do many Members in the Senate.

Our military has reached a period of consequences, and many difficult decisions need to be made. I will ask the Senate today to make one of those important decisions. This body will go on record with a clear choice of priority: we can either spend everything we have or think we have in a surplus that has not yet materialized or we can give commonsense tax relief, a realistic level of tax relief and also—which is most important—have money to make some strategic investments in one particular area with known shortfalls, and that is in defense.

We just passed Senator HARKIN's amendment. I was proud to support that amendment because this body, in a bipartisan way, made it clear another strategic investment we must make is in education. We must take a second step and make an important decision today to invest in shortfalls in defense.

The President seemed to understand this problem during the campaign when he said:

> Not since the years before Pearl Harbor has our investment in national defense been so low as a percentage of GNP. Yet rarely has our military been so freely used—an average of one deployment every 9 weeks in the last few years. Since the end of the cold war our ground forces have been deployed more frequently, while our defense budget has fallen by nearly 40 percent.

One cannot argue with the numbers or argue with the trend line on this chart. The budget we are debating, unfortunately, without this amendment, will not stabilize this line. It will not turn it around. It will not invest in the quality of life issues so important to retain our soldiers and their families, to build morale, and to strengthen our troops, and most importantly, live up to promises we have made to them in terms of their pay, in terms of their benefits, in terms of the kind of housing we promised them.

These words do not sound like those of someone advocating the status quo. I and many of my colleagues are baffled. I didn't imagine, frankly, that this amendment would need to be offered. But here we are, 7 months after the election, having this debate.

Let me ask my colleagues, since the election, has the world gotten automatically safer? Did our military find a secret storage site filled with spare parts? Did the 13-percent civilian pay gap disappear? Did the dilapidated facilities we heard about in the campaign start repairing themselves? Maybe all of our military families at wit's end with TRICARE have been cured.

We know that is not the reality and the needs still exist. The budget we are debating is deficient in that regard. The amendment of Senator CARNAHAN and myself which we are now debating we hope will begin to fix this and make a modest investment.

Let me show a couple of pictures to highlight some of the problems we have in our own State. I have the great privilege of representing Fort Polk, one of the premier training centers in the Nation, in the view of our commanders. This is where our men and women train before being sent to Bosnia or to Korea or other places where we have either conflicts or have engaged in serious peacekeeping efforts. This is just one picture. I could show 100 pictures of housing, of dilapidated structures, of mold and mildew.

If you go to Fort Polk's website, you will see old photographs taken at its creation in 1941. These are the same makeshift wooden huts, now used as dining facilities, that were there when Churchill was making his speech about ''a period of consequences.'' How long does this building need to serve its country before it can retire? I would say World War II, Korea, Vietnam, Grenada, Desert Storm, and Kosovo should just about cover any building's life span. Not at Fort Polk.

This is only one of many examples of situations repeated all across our country at our military bases. There are a variety of reasons for this crumbling infrastructure. However, if you talk to the base commanders you hear one refrain again and again. Real property maintenance is the first casualty. When officers are forced to choose between installing air conditioners for the Louisiana summer, or continue training their men and women for war, officers correctly choose training. However, it is wrong for Congress to force our military leadership to opt between essential quality of life initiatives and basic readiness, maintenance and safety. Yet that is the choice our post commanders are forced to make year after year. Furthermore, while the newer housing that the military is building is very nice, there is not nearly enough of it to go around. In the meantime, we force our servicemen and women to live in substandard housing. I would be willing to bet that you could go on nearly every base in America and find military housing that does not meet HUD's standards. Nonetheless, we wonder why we have a recruiting and a retention problem. If it were not for the extraordinary patriotism of our men and women, our ''problem'' would be an epidemic.

Still, I suspect that many colleagues will respond that we are undertaking a strategic review, and we should not prejudge and rush to any conclusion. We should wait. To that, I refer my colleagues back to Winston Churchill. We are in a period of consequences. We should be done with the era of procrastination. In any case, we can study this problem to death, and it will not change the fundamental reality. These problems need a resolution today, not ten years from now. They will require a greater portion of our nation's resources to address. Yet if we do not set those resources aside in this budget resolution, they will not be there for us to invest later.

The other irony about the supposed need for delay is the study itself. In all the reports that have come out, there has not been any indication that these quality of life initiatives are even being considered. Even if they were considered, it is extremely unlikely that any study would conclude that we need to spend less money on these issues. More likely than not, this amendment adding $10 billion a year would be viewed as a modest down-payment on a much larger debt coming due.

Perhaps the real savings comes from military transformation? Maybe if we adopt new technologies and techniques we can forestall the need for more military spending? Not likely. Although Secretary Rumsfeld and Mr. Marshall may be the latest to study military transformation, they are not exactly the only study. I have brought with me a stack of studies that reach the same conclusion. We need military transformation. We need to recapitalize our forces. We need to encourage joint experimentation and operations, and we must prepare for the emerging threats of the 21st century. All the reports have a different emphasis. They come from the broadest possible political spectrum, but they all endorse these same principles. What is more, they all believe we need a top line increase in defense to accomplish these goals. Again you will find a range of perspectives from about a $30 billion annual

increase at the low end, to a $100 billion annual increase at the very high end. Either way, the conclusion is the same.

The problem is that if we do conclude that we need a significant investment, there will be no money for us to invest. I support the strategic review. I imagine that I will support a good deal of what Secretary Rumsfeld has to say. We have reason to believe there is a big bill on the horizon. We have the money in the bank. I suggest we allocate some of that money toward this bill that is due today. Unfortunately, the Republican leadership is taking those savings and living for the moment. How they will account for this decision, I do not know.

The other important point to keep in mind is that this amendment does not change the bottom line need for reform at the Pentagon. I agree with Senator BYRD's insistence that the Pentagon get its books in order. Furthermore, the low end estimates for the need to recapitalize our current force are an additional $30 billion per year. My amendment is providing the services $10 billion. If this is all the services get, they still have to cover that two-thirds gap somehow. To do so will require the services to rethink what they are doing, and how they are doing it. This fundamental rethinking is an exercise we all should endorse. It will not be any less necessary should our amendment pass.

I invite the Senate to look at the build rates for the Navy. Last year, the Navy CinC's stated that they could not perform their missions with fewer than 360 ships. Yet, for the past eight years, the Navy has been procuring only an average of six ships per year. This build rate is the lowest since 1932, and will result in a Naval fleet of 180 ships if continued. All of our military forces serve the dual function of good-will ambassadors and ''cooperation builders'' with our allies. This role is even more prominently performed by our Navy. It also serves as an important signal of American resolve at crisis points. However, we may soon reach a point where our Navy, rather than an instrument of American power projection, is relegated to protecting an increasingly tenuous forward-presence.

I might also mention that we take a hard look at what we are saying to our NATO allies about their defense budgets. As we insist that our allies take greater strides to bridge the capability gap, we also remind them that the whole solution will not be found in greater efficiency or reform. We consciously assert that transformation costs money, and no nation can expect to improve capabilities without an increase in the top-line budget. I would submit that the logic of these arguments applies no less to the United States than it does Belgium or Norway.

This amendment acknowledges the truth, we are in a period of consequences for our military. We can acknowledge that fact and pass this amendment, or stick our heads in the sand. With the People's Republic of China increasing defense spending 15 percent, with the Middle East edging toward open conflict, with the conflict in the Balkans spilling over to Macedonia, with increased military cooperation between Iran and Russia—this seems like a very dangerous time to ignore reality for the sake of political posturing. A tax cut that robs our military of much needed reinvestment is wrong-headed and reckless.

Another great English Prime Minister Lloyd George once said of America that ''she always does the right thing, after she has tried all other options.'' Today I present the Senate with the option to do the right thing. Pass this amendment, put the needs of our military and our nation before short-term political gain.

When we asked people to reenlist, we asked the spouses: Would you like your spouse to reenlist? Have your children live in places that we don't even allow our Housing and Urban Development to build and to fund? We ask our service men and women to live in substandard housing with inadequate pay, with health care that is less than what was promised when they signed up to serve. These are the things I hope my amendment will fix and make the minimum downpayment.

Mr. CONRAD. Will the Senator yield?

Ms. LANDRIEU. Yes.

Mr. CONRAD. Might I inquire how much time we have consumed?

The PRESIDING OFFICER. The Senator has consumed 11 minutes.

Mr. CONRAD. I yield 15 minutes off the resolution to the Senator.

Mr. WARNER. Parliamentary inquiry: It is the intention of the Senator from Virginia at the appropriate juncture to offer an amendment in the second degree. I value greatly the participation of my distinguished colleague on the Armed Services Committee. I find myself in a position of requiring to express my views and those of others in the form of a second degree. My amendment would be very simple. It would ask for an $8.5 billion increase solely for 1 fiscal year, which is 2002, and at the appropriate time I will give further details.

Could I inquire of the leadership, I want to be very careful with the protocol toward my good colleague, and presumably I can put the amendment at the desk now, but I wish to have the Senator complete her opening remarks first, and at that time if I might inquire of the distinguished managers, what would be their desire with respect to a second degree? I would need but 15 minutes to describe it. There may be others who would like to speak.

Mr. DOMENICI. I would be pleased, if the other side agrees, to make it in order that the Senator offer it, but we have to use up the time on the amendment before it would be in order under current practice. It is in their hands. I would be glad to let you send it up so people could see it. It would not be ripe until all time were yielded on the amendments.

Mr. CONRAD. Might I inquire of the Senator from Virginia, would the Senator consider offering his amendment in the first degree with an understanding that he would get the first vote? If the Senator offers his amendment in the second degree——

Mr. WARNER. In the nature of a substitute, yes.

Mr. CONRAD. Not as a substitute, as a first degree.

I am suggesting this for this reason: We are going to want to get a vote on the amendment of the Senator from Louisiana. We can go through all kinds of parliamentary maneuvers to do that and ultimately succeed. We have found so far it works better if we handle both amendments in the first degree. You would get the first vote because you would have been offering it in the second degree.

Mr. WARNER. I yield to the distinguished managers. They are handling this bill. I want to hear from the Senator from New Mexico on that.

Mr. DOMENICI. Senator, from what I understand, we don't want to deny her a vote. We want a vote on his first. Whatever happens to it, you get a vote. But we will have a vote on it first. Is my understanding correct?

Before I do that, if we could proceed and let me make an inquiry. It looks as if that is what we ought to agree to. For now, let us proceed in the normal course.

Mr. CONRAD. Fair enough. We appreciate the chairman looking into that, and we appreciate the consideration of the chairman of the Armed Services Committee as well.

Mr. WARNER. I thank all colleagues. Basically, I sought recognition so the Senate will understand there will be an amendment of some type which will be, in a sense, in opposition to my distinguished friend and colleague from Louisiana.

Ms. LANDRIEU. I appreciate that. Let me comment briefly as we decide the appropriate way to proceed. I must certainly note we will have a vote on this amendment that Senator CARNAHAN and I are offering. I suggest to the distinguished managers, our amendment and that of Senator WARNER could be complementary. His amendment deals only with 1 year of an increase, which I actually support. I agree we need an increase for the 2002 budget. My amendment makes a longer, more reliable, stable commitment over 10 years. Given the underlying budget resolution does the same, we are not necessarily in disagreement, except for the fact that mine has a 10-year outlook and his has only 1 year. I

simply argue that while his amendment might be a step to take, we could certainly take this step as we make a decision for the strategic investment that we need to make over this decade—not just for 1 year.

On another point, some may say: Senators, you know there is a strategic review under way. Shouldn't we wait before we consider this amendment?

I have brought to the floor today studies that I could submit for the RECORD. This one is a ''Strategy For Long Peace,'' by the Center for Strategic and Budgetary Assessments. I am just going to refer to two.

This one is called ''Averting the Defense Train Wreck in the New Millennium'' by the Center for Strategic and International Studies in Washington, DC. These are two very well known and well-respected think tanks.

As I said, I have with me an additional 15 studies that I have brought, from conservative to liberal think tanks, that have looked at this issue and are actually probably part of the strategic study underway. In no case that I can find, after reviewing all of these studies, do any at all indicate that a strategic review would result in less of an increase or reduction in defense spending—not one. Even with those arguing for transformation from a cold war structure to a new structure, even for those who are arguing for very aggressive transformation, there is not a study that we can find, no expert on either side of this debate, who is going to make an argument that this spending line is going to go down. It is going to go up. Yet the budget resolution we are debating is not, in the current form, going to allow for that.

So our amendment will set aside $100 billion out of the tax cut, $10 billion a year, to make room for the strategic study, to make room for the quality of life, to make room for the improvements that need to be made to boost the morale and to boost the vigor of our Armed Forces. Waiting is not only going to force us to make some very tough decisions down the road, but waiting is also going to cost the taxpayer billions of dollars because of the delay, because of this budget gap. It is not fair and it is not right and it is not smart. We can do it all if we use common sense and reasonableness and we are careful about what numbers we put on the tax cut and on certain strategic investments.

I am going to try to wrap up in just a moment, only to say the President campaigned on this issue when he ran for President. People voted for him based on a promise to support an increased military investment. Many of us who even voted for the other candidate believe it is a very important step to take now, to improve and to strengthen our investments, particularly the quality of life issues of housing, pay, other compensation, and health care; to strengthen our retention of our forces and to provide for them the things that we promised when they signed on the bottom line.

If we are careful, if we make the right decisions today, we can have a reasonable tax cut, we can pass strategic investments in education and defense, and we can pass a budget that will work, not only for this year but for next year and for many years to come. So I am proud to offer this amendment on behalf of my colleagues. I could give many more examples where it comes to our Navy, to our Army, to our Air Force, to Marines, to the things we need to maintain our ships and planes, as well as our quality of life issues.

In closing, let me say with all due respect to my chairman, who is going to offer another amendment, whether he does it before I do or after I offer mine, I agree with him that we need to increase spending by his amendment of $8.5 billion for 2002. But that does not go far enough. We are laying down a budget for the next 10 years. Are we just going to offer our military an increase for 1 year and say you are on your own for years after? We need to be reliable. We need to be trustworthy. We need to live up to our promises. We need to support the Landrieu-Carnahan amendment that will begin to make a modest investment to keep this line stable, to keep our country secure, and to put the money where our mouth is. When we say we support our men and women in the Armed Forces, let's do it now. If we cannot do it now, when are we going to do it?

Once this budget resolution passes without my amendment, it will not matter if 100 strategic studies come back. There is not going to be any money to fund it. Let us, while we can, make the investment for our men and women in the Armed Forces.

I yield the remainder of my time back. I think the manager has done a beautiful job. Senator CARNAHAN would like to speak for a few minutes on this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Louisiana, who is a distinguished Member of the Armed Services Committee, for her amendment. I think it is an important amendment, one of the most important amendments we will consider in the context of a budget resolution. On the Budget Committee we heard witness after witness tell us we needed to add $5 billion to $10 billion a year over the next 10 years to the defense budget to be responsible. The Senator from Louisiana has added that $10 billion.

Let me say we had a hearing before the Budget Committee with four witnesses: two Republican witnesses, two Democrat witnesses. They were in agreement on the amount of money needed to be added to defense, given the stress on the defense budget, with the higher rate of operations, with the need for additional resources to meet demands we have put on the Defense Department.

President Bush has called for a strategic review. We agree absolutely that is important and that is appropriate. We also believe there is no question that additional resources have to be provided to the Defense Department. We need to strengthen our national defense. If we do not provide the money in a budget resolution, it is not going to be available. So this amendment is critically important.

I understand the Senator from Missouri, Mrs. CARNAHAN, would like to speak on the amendment as well.

Mrs. CARNAHAN. Yes.

AMENDMENT NO. 188

Ms. LANDRIEU. If I may interrupt for one moment, I understand the amendment is now at the desk, so I would like to officially call it up.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana (Ms. LANDRIEU) for herself, Mrs. CARNAHAN, Mr. LIEBERMAN, Mr. REED, Mr. LEVIN, Mr. BREAUX, Mr. CORZINE, Mr. GRAHAM, and Mr. NELSON of Florida, proposes an amendment numbered 188.

Ms. LANDRIEU. I ask unanimous consent the reading of the amendment be dispensed with.

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

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

Mr. CONRAD. The Senator from Missouri has requested 10 minutes? The Senator from Missouri is provided 10 minutes off the resolution.

Mr. WARNER. Mr. President, parliamentary inquiry: Would it be appropriate——

The PRESIDING OFFICER. Does the Senator yield? Does the Senator from Missouri yield to the Senator from Virginia?

Mr. REID. Without her losing the floor.

Mrs. CARNAHAN. Yes.

The PRESIDING OFFICER. Without objection, the Senator from Virginia.

Mr. WARNER. Mr. President, the distinguished Republican manager wishes to address a unanimous consent request which I think meets the objectives, such that our valued colleague from Louisiana can get the first vote, then my second-degree would be the second vote. I wonder if the managers would refer to that.

Mr. DOMENICI. Mr. President, I ask unanimous consent the pending Landrieu amendment be laid aside and Senator WARNER be recognized to offer an amendment relative to defense. I further ask the debate run concurrently on both first-degree amendments and be limited to 60 minutes

equally divided, and following that time the Senate will proceed to vote in relation to the Landrieu amendment and then in relation to the Warner amendment. I further ask consent no amendments be in order prior to the votes just described and the votes occur in a stacked sequence with 2 minutes prior to each vote for explanation.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Reserving the right to object, I just have a question.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I have no objection to the 60 minutes divided for the discussion of the Landrieu-Carnahan amendment and the Warner alternative. How will the debate proceed? Will we alternate pro and con or will we take our 60 minutes first or alternately allocate the time?

Mr. CONRAD. Mr. President, it is our intention that the two managers allocate time so there is a fair division.

Reserving the right to object, since Senator CARNAHAN was previously recognized off the resolution, I assume this would follow her remarks. Would that be the intention?

Mr. WARNER. Certainly that would be satisfactory.

Mr. DOMENICI. In which event we ask 10 minutes be added to our side.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Reserving the right to object, there are a number of other Members who would want to speak on this amendment. I am wondering if Senator LIEBERMAN, who was here, and Senator REED, who was here, will be given time to speak on this amendment?

Mr. DOMENICI. Sixty minutes divided equally. That is what it says. We will work on rotation.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. Objection is heard.

Mr. CONRAD. Reserving the right to object, I would hope that we could work this out so we have a firm understanding of what will occur so feelings are not bruised in the process. It is easy to have happen.

Let's be clear. As I understand it, then, Senator CARNAHAN will proceed with 10 minutes off the budget resolution, and then there will be the 60 minutes between the two sides with respect to these amendments. Is that acceptable?

Mr. DOMENICI. I say to the Senator, I thought you just prevailed. She will get the 10 minutes she had. And then the 1 hour will become operative, at which time we agree we each get half of that; but we will accommodate back and forth so no side gets unfair treatment.

Mr. CONRAD. Good.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. I withdraw my reservation.

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

The Senator from Missouri.

Mrs. CARNAHAN. Mr. President, when families across the country plan for the future, they first determine their essential priorities. Then they put money aside to make sure they can pay for them. Only after those priorities are met, do our families decide whether money is left over to pay for other things.

I believe we would be wise to approach the Federal Government's budget the same way.

First, we should determine how much we need to invest for vital national priorities. The remaining funds should be returned to the people through a tax cut. We can meet our national priorities and still provide for substantial tax relief to America's working families.

But the budget we are considering seems to have been constructed exactly the opposite way. It appears to have been built around the $1.6 trillion tax cut, leaving us without adequate funds to meet our budgetary needs.

One of the most glaring shortfalls in the President's budget is in the area of national defense.

Of the $5.6 trillion in anticipated surpluses, the budget proposed by President Bush spends only $60 billion—about 1 percent—on defense.

I believe that this level of military funding is inadequate to meet our military's current and long-term needs. The amendment that Senator LANDRIEU and I have proposed will remedy this flaw by increasing defense spending over the next 10 years by $100 billion above what the President has proposed. I commend Senator LANDRIEU for her leadership on this issue and am pleased to join with her in supporting the men and women of our Armed Forces and in protecting the national security.

Leaders of our Armed Forces tell us that we must invest in both personnel and equipment to preserve our preeminence in the 21st century. The list of military needs is exceptionally long. That list includes, but is not limited to, modernizing our tactical aircraft and other aging weapons systems, increasing the readiness of our forces, building decent housing on our bases at home and abroad, improving the quality of military life, increasing military salaries and health benefits, maintaining and repairing our aging infrastructure, and securing our information technology.

Virtually every expert that has looked at the state of our military agrees that major new investments are required.

Just last September, the Joint Chiefs of Staff estimated that $50 billion per year in additional funds were needed to maintain readiness and to modernize our forces. And the Joint Chiefs were only talking about modernization and readiness. The $50 billion figure did not include the investments needed to increase retention of personnel and improve the standards of living for military families.

Examples of urgent funding requirements abound. But let me take a few minutes to discuss the situations on the two major bases in Missouri, Fort Leonard Wood and Whiteman Air Force Base, with a special focus on housing.

Fort Leonard Wood's housing units were constructed between 1958 and 1964. Only one out of six units has been fully renovated. The floor plans are outdated. There are insufficient playgrounds and storage space. Many homes are below Army standards in size and quality. The poor grade of housing at Fort Leonard Wood is one of the factors that makes it difficult for us to retain our highly trained and skilled senior enlisted personnel and officers.

Numerous other infrastructure improvements are needed at Fort Leonard Wood. The most disturbing one that has been reported to me is the lack of running water or sewers on the 48 ranges used to train our young men and women. The latrines on the ranges are some of the worst in the command. Some soldiers are said to limit their water intake to avoid using these decrepit facilities.

Military personnel at Whiteman Air Force Base face other indignities. Family housing suffers from termite damage, water seepage, and flooding of playgrounds. Twenty percent of all units have been vacated due to termite and water damage.

Unfortunately, I cannot say that help is on the way.

The backlog of deferred maintenance at Fort Leonard Wood comes to about $66 million. The current annual budget of $13 million is $2 million less than necessary to sustain the current housing stock and $6.6 million less than what is necessary to reducing the backlog. To make matters worse, high utility costs this year have caused a shortfall of $1.8 million, which is being taken from the housing maintenance budget.

At Whiteman, $125 million are needed to fix 900 units, construct 129 new units, and repair playgrounds, streets, and other common areas. But Whiteman's annual housing budget is $7 million less than necessary to implement this plan.

The problems in Missouri are duplicated across the country and at our bases abroad. The Commander in Chief of the European Command, General Ralston, testified last month before the Armed Services Committee on which I

sit. He said that 70 percent of the housing in Europe did not meet Army standards. And the Department of Defense reports that the backlog of real property maintenance is $27.2 billion.

The Landrieu-Carnahan amendment is designed to meet these needs in the years to come.

The amendment will reduce the President's tax cut by $100 billion and dedicate these funds to defense spending.

Reducing the tax cut by this amount will only slightly lessen the amount returned to the wealthiest Americans under the President's plan. I believe that these Americans would be willing to take this sacrifice if they knew that the money would be spent for better equipment, housing, and salaries for our military personnel.

When I asked new appointees to the Pentagon how they plan to address the shortfall in the budget, they have all told me that these issues are currently being considered in the Pentagon's comprehensive strategic review. I applaud the new administration for conducting this review and for proposing to ''transform'' the military to meet the security threats of this new century. But no one believes that this new review is going to lead to reduced defense spending over the next decade.

Quite the contrary. One expert, Dr. Andrew Krepinevich of the Center for Strategic and Budgetary Assessments, testified before the Senate Budget Committee. He said that there is a $120 billion mismatch between our current defense plans and projected defense budget. The Pentagon's strategic review may result in some cuts to existing programs. These cuts, however, will not cover both the $120 billion shortfall, plus whatever new costs are required to transform the military.

The bottom line is that there will be calls to spend more, not less, on defense after the strategic review is over.

We should prepare for that certainty now by adopting a budget that contains realistic spending levels for national security.

The problem with waiting until after the review is over is that Congress is poised to pass the President's tax cut now. If this tax cut passes, the necessary funds simply will not be available for the required level of defense spending.

This amendment is a much more prudent approach. It sets aside the funds for our military needs over the next decade.

In the unlikely event that the strategic review calls for less spending than this amendment provides, that money can always be used for tax cuts, or other purposes in the future. But everyone in the Chamber knows that we will not be able to undo a tax cut, not even to increase defense spending. If the President's tax cut goes forward, our military budget is going to feel the squeeze in the years and decades to come.

So I strongly advocate this amendment. I urge the Senate to stand behind the men and women who defend our country by adopting this important measure.

I yield the floor.

AMENDMENT NO. 189

The PRESIDING OFFICER (Ms. COLLINS). Under the previous order, the Senator from Virginia is recognized to offer his amendment.

Mr. WARNER. Madam President, I send to the desk an amendment. It is a first-degree amendment. As I understand, under the UC there will be sequential votes.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL, proposes an amendment numbered 189 to amendment No. 170.

Mr. WARNER. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To increase the levels of new budget authority and budget outlays provided for the National Defense (050) major functional category for fiscal year 2002, and to make corresponding adjustments necessitated by those increases)

On page 10, line 21, increase the amount by $8,500,000,000.

On page 10, line 22, increase the amount by $6,460,000,000.

On page 43, line 15, decrease the amount by $8,500,000,000.

On page 43, line 16, decrease the amount by $6,460,000,000.

On page 48, line 8, increase the amount by $8,500,000,000.

On page 48, line 9, increase the amount by $6,460,000,000.

Mr. WARNER. Madam President, I first pay tribute to my two colleagues, members of the Committee on Armed Services. As I listened very intently to their comments, there is not much with which I can disagree with respect to the need for additional funds.

Where we differ, I say with due respect, is that we have a new President, a new Secretary of Defense, and there are a number of Members in this Chamber on both sides of the aisle who have commended President Bush and Secretary Rumsfeld in their initiatives to go back and reexamine the entirety of America's defense posture and to give greater emphasis to the emerging and ever-changing threats poised against our Nation and providing everyday risk to the men and women of the Armed Forces who are posted beyond our shores standing watch in the cause of freedom.

This amendment prejudges the end result of these studies and prejudges the Bush administration and how they are going to reorient our defense posture for the outyears. It lays out a 10-year program; in a sense it allocates the 10 for each of the years.

My amendment addresses but 1 fiscal year, 2002. It is the budget which we are working on now. President Bush, when he came to office, looked at the Clinton budget and decided to add $14.2 billion for this particular fiscal year. That was done very early on when he arrived into office. Subsequent thereto, the work of our committee produced papers, an analysis which showed that even funding of 14.2 falls short of what is desperately—I use that word very cautiously but very truthfully—needed by all the military departments to get our military through the 2002 fiscal year, to maintain its readiness, to maintain the quality of life for the men and women of the Armed Forces, and to hope to strengthen the ability of the services to retain. I cannot emphasize too strongly the need to retain middle-grade officers and senior enlisted men and women.

We are falling short in those areas, and we now realize we must do more. Whether it is pay, housing, medical, hopefully less deployment, but we are falling short in that way. Every time we lose a pilot, the American taxpayers lose several million dollars of investment in the training that he or she has received through the years. Only a small amount of money, only a small amount of improvement in housing, only a small amount of improvement in health care could well have retained that highly skilled aviator and/or the maintenance chief down on the line working night and day to repair and keep the planes flying.

This amendment by my two colleagues really prejudges what our President and Secretary of Defense will come up with. I would like to hypothetically put this to my colleagues. I think we should give this President the opportunity to make his judgments and to come back in subsequent fiscal years to the Congress and say: This is precisely what I need, or I don't need the full 10 billion, should this amendment become law.

Stop to think about that. It could be in fiscal 2003 that our President wishes to increase the defense budget by 20 billion and represents to the Congress at that time, absent unforeseen contingencies, the following fiscal year he could have level funding and/or maybe just a billion or two additional funding.

This President is reorienting the budget more and more towards the threat, beginning to scale down the number of deployments and hopefully improve the retention.

On the committee—I speak of the committee in terms of its staff because we worked on this in a bipartisan way; I presume my colleague, Mr. LEVIN, will join in this debate—the figures

that were worked up were produced in conjunction with analyses supplied by the Department of Defense. We broke out the following amounts in various line items, all in the 05, which is the readiness account:

Three-tenths of a billion for force protection. More and more we recognize that our bases overseas are subjected to terrorism. We have experienced very serious accidents this year, the U.S.S. *Cole* being the most severe. So we need three-tenths of a billion to help augment those expenditures.

Six-tenths of a billion for personnel. Again, special pay, pay directed at those specialties, whether it is flying or maintenance or medical or computers or the like, where we are having difficulty retaining those individuals with the competitive forces in the private sector.

Energy costs. It simply requires that we have this to maintain the barracks, to maintain the housing, to maintain the office buildings, to maintain the hangars, to maintain the ships. Our energy costs have gone up not unlike those being experienced by the civilian sector.

Maintenance. The Senator from Louisiana put up a chart with which I agree. Deterioration of the base infrastructure all throughout our services, Seven-tenths of a billion for that. Base operations. Again, we were underfunded in the accounts. That brings in another nine-tenths of a billion—nine-tenths of a billion in real property maintenance, the buildings. We will, hopefully, go through a base closure piece of legislation within the next 24 months to complete that. But in the meantime, it is absolutely essential to maintain the infrastructure we now have in a condition so that it protects the airplanes in the hangars and protects the personnel in the barracks.

Then we go to the direct health care system. We passed historic legislation last year—TRICARE. It was something that the retired community has wanted for many years, something they were really promised when they joined the military services. Now that is going to be a significant cost item. In years past, we had not even funded TRICARE to the levels that were needed to maintain the costs before our legislation takes effect. As a consequence, we were drawing funds out of the major military hospitals.

I went by and visited both Bethesda and Walter Reed recently in connection with seeing friends there, and the commanding officers, all in a very respectful way, said: Senator, we do not have sufficient funds to maintain these hospitals that are taking care of the active duty, primarily—some retired—and their dependents. And that requires $1.2 billion. But that ties directly to retention. The degree that we properly care for the families and the active-duty personnel reflects the degree to which we can retain these valuable people in uniform.

Fuel. This is different from base. This is for flying the aircraft. This is manning the ships. This is training in the trucks, in the tanks, the artillery pieces, mobile. This is where the fuel is needed. That is a significant cost. Then, of course, in addition, it is for flying hours and the spares.

I expect every Member of this Senate has learned of the cannibalization going on, where you take parts from perfectly good equipment and put them in other pieces to make them run. That is no way to run a first-class military. But, regrettably, those dollars associated with the normal maintenance and the spares have been inadequate for a number of years, and we are asking $1.6 billion to put back on the shelves sufficient spares to enable our troops to train and keep their equipment in readiness. This was very carefully documented.

It is interesting; in the amendment of my distinguished colleague—the Senator from Louisiana—she has the exact sum. My guess is that she, quite rightly, has access to the same information. I must ask that in the form of a question at an appropriate time. But she predicated 2002 on this figure.

I say the proper course of action is to be respectful of the fact that this President has taken an initiative to study our military very carefully, analyze the threat, and then to put together carefully a plan to make such revision as he deems necessary for this year and our outyears under the normal 5-year fit-up program—not 10. I think, in fairness, he should be given that opportunity.

I will leave it to others to address the question of how this reduces the overall proposed tax cut, how it goes to other areas of the budget. But my responsibility as chairman of the Armed Services Committee is simply to stick, at this moment in the debate, to those facts as they relate to how this Nation should go forward in providing for the men and women of the Armed Forces. I say out of respect for this President, we should give him the right, the authority, to go ahead and do the studies. We augment, by my legislation, a single fiscal year for necessities, and I don't think anybody can dispute the need. I would be anxious to hear from the proponents of the other legislation. I think the 2002 figure is direct and for the right reasons. For the years beyond 2002, let our President come forward—it may be greater in 2003, and 2004 could be less—and we go about our responsibility under the Constitution to maintain our Nation strong and free, in accordance with the wishes of this President.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. How much time did Senator WARNER use?

The PRESIDING OFFICER. The Senator used 14 minutes.

Mr. DOMENICI. Madam President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. This is coming out of the 60 minutes, and then I will, obviously, yield to the other side.

What Senator WARNER is saying to the Senate is, under our unanimous consent request, the Senate will get to vote on the amendment of the Senator from Louisiana, to be followed by a vote on the Senator's amendment, which he has described, an $8.5 billion increase for 2002.

Mr. WARNER. Madam President, the Senator is correct.

Mr. DOMENICI. Having said that, I want to tell everybody there is a big difference between these two amendments, beyond the fact that this distinguished chairman of the Armed Services Committee is saying fund at 2002 and let's wait for the President's request.

The opposition amendment of the junior Senator from Louisiana is an interesting amendment as it deals with defense because it actually cuts the taxes—the taxes the people thought they were going to get back. It reduces that by $100 billion. At first, it was $200 billion. So it reduces that by $100 billion out of the tax cut in order to pay for this amendment.

It seems to me the distinguished Senator who chairs Armed Services has a good point, and I hope everybody who wants to follow his lead will, indeed, understand that the second vote tonight will be on his amendment. He very much desires that this position be made. As chairman, he wants it to be taken by the Senate. We will be here for the next 15, 20 minutes if anybody has any questions. But I send out a little signal that we have a unanimous consent, which means we are going to vote pretty soon. I might speculate with Senator REID that we are going to vote within 30 or 40 minutes. So everybody should know that. All time will be used up.

Senator CONRAD has indicated he may give me an additional 10 minutes if I need it because there was an additional 10 minutes used on that side. You can add that to the mix and figure out the time.

Mr. WARNER. Madam President, I ask unanimous consent that this letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 19, 2001.

Senator PETE DOMENICI,
Chairman,
Senator KENT CONRAD,
Ranking Member,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE AND KENT: In accordance with your request, I am forwarding my recommendations on funding for the programs in the jurisdiction of the Armed Services Committee for the Fiscal Year 2002 Budget Resolution.

In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 supplemental is appropriate, including the shortfalls that experts in the Department of Defense have identified in the defense health care program, increased flying hour costs, and full funding for the higher housing allowances currently being paid to military personnel living off base.

With respect to Fiscal Years 2002 through 2006, I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before we make final decisions on the shape and overall funding levels for our future defense program.

However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategy review. Some increases above the projections contained in the President's budget outline of February 28 will be needed to continue the transformation of our military to meet the threats of the new century, to fulfill the commitments the Congress has made to provide quality health care to active and retired military families, and to continue the progress we have made in recent years to improve compensation, housing and other quality of life programs for our military families. I also recommend that the Budget Resolution provide a sufficient mandatory spending allocation for the Armed Services Committee to permit enactment of legislation providing full funding for (1) the transferability of benefits under the Montgomery G.I. Bill to family members; and (2) reform of the statute prohibiting concurrent receipt of military retirement and veterans disability compensation.

For these reasons, I believe it would be prudent to establish a reserve fund in the Budget Resolution to accommodate the near-term and long-term adjustments to current defense plans that the Administration and the Congress may decide to implement once the Secretary's strategy review is completed. I recommend that this reserve fund provide in the range of $80 to $100 billion for the national security priorities I have identified above the levels projected by the President over the next ten years, pending the completion of this review.

In my review, this reserve fund should be over and above amounts set aside to fully protect the Social Security and Medicare Trust Funds, pay down the national debt, and meet other priorities, and should not be lumped into a single reserve fund in which defense funding needs would have to compete against other vital national priorities. I also believe this reserve fund should be established in the Budget Resolution before a decision is reached on the various tax proposals before Congress. I have serious concerns that a tax cut of the size proposed by the President would not leave sufficient funds for future increases in defense and other important programs.

I look forward to working with you on a Budget Resolution for Fiscal Year 2002 that provides the necessary funding to preserve our strong national defense and the other important programs that are essential to our nation's security and prosperity.

Sincerely,

CARL LEVIN,
Ranking Member.

Mr. WARNER. Madam President, this is a letter from Senator LEVIN, the ranking member of the Armed Services Committee, to the distinguished Chairman DOMENICI and the ranking member, Mr. CONRAD, of the Budget Committee addressing the needs, as we see them, for defense in the years to come.

I will read one paragraph which I think is really dispositive of what we are discussing. I quote Mr. LEVIN:

> In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 supplemental is appropriate, including the shortfalls that experts in the Department of Defense have identified in the defense health care program, increased flying hour costs, and full funding for the higher housing allowances currently being paid to military personnel living off base.

He continues:

> With respect to Fiscal Years 2002 through 2006, I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before we make final decisions on the shape and overall funding levels for our future defense program.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, on behalf of Senator CONRAD, the manager of the bill, I yield time to the Senator from Rhode Island, but prior to doing that, I want to indicate how fortunate we are in the Congress, in the Senate, to have someone of his knowledge.

Senator JACK REED is a graduate of the United States Military Academy at West Point. He was an airborne ranger, a company commander. He was part of the 82nd Airborne. He had 35 jumps. His career in the military, including his time at West Point, consisted of 12 years. He was a professor at West Point.

He not only is a member of the Armed Services Committee in the Senate, but during the time he served as a Member of the House of Representatives, he served on the very important Intelligence Committee.

This man has served our country, including his time at West Point, some 12 years. I do not know of anyone I would rather have speak on issues relating to the military than JACK REED, the senior Senator from Rhode Island. I yield 10 minutes.

Mr. WARNER. Madam President, I associate myself with Senator REID's remarks. Senator JACK REED is a very valuable and well-informed member of the Armed Services Committee, as well as his colleagues, the principal sponsors of the amendment.

Mr. REID. Madam President, the Senator from Virginia and I have a mutual admiration society. We have served on the same committee since I have been in the Senate. I am always impressed with the seriousness of everything he says, especially on the Senate floor.

Mr. WARNER. I thank my colleague. I share his view.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise to lend support to the amendment of Senator LANDRIEU and Senator CARNAHAN and commend my chairman for his amendment. All of these individuals recognize the need for additional resources in defense spending. In fact, when it comes to Chairman WARNER, there is no one in this Chamber who has been more solicitous and supportive of the welfare of American fighting men and women and the readiness of those forces than the Senator from Virginia, but I believe this is an important moment in the debate to make a broader point about this budget and defense spending.

Explicitly, this budget calls for a $1.6 trillion or $1.7 trillion tax cut over 10 years. It reserves the money for that tax cut. Yet it ignores anticipated expenses that we already know will be incurred in defense. When it comes to defense spending in this budget, there is only one word for it: this budget is disingenuous.

We are not prejudging President Bush. We are taking him at his word. I quote the President:

> At the earliest possible date, my administration will deploy antiballistic missile systems, both theater and national, to guard against attack and blackmail.

When we look at the estimated costs for a national missile defense, it is approximately $115 billion, and that total is growing with each new reestimation. The $115 billion was an estimate that was included in this week's Defense Week magazine.

This national missile defense is a centerpiece of the President's strategic program. I hardly believe that at the end of the strategic review conducted by the Secretary of Defense—and I commend him for that review—that the Secretary of Defense or the President will recommend that they withdraw their support for national missile defense or theater missile defense.

We already know the President may urge us to spend as much as $115 billion just on national missile defense, and there is nowhere in this budget over 10 years that these costs are recognized. This is in addition to the cost that Senator LANDRIEU was talking about—quality of life for troops and readiness issues.

Let us look again at some of these costs we know will be urged upon us. We will debate these costs. We will debate these programs. Some may be

eliminated. But right now we know there is a multibillion-dollar defense program coming our way, and this budget does not provide for it.

What this budget does is cut taxes explicitly to the tune of $1.7 trillion, yet ignores defense programs to which the President is emotionally, passionately committed. I think that is disingenuous, as I said before.

If you look at national missile defense, we started and are developing a land-based system. It is estimated that the cost of 100 interceptors, a very rudimentary system, will be $43 billion. Again, I do not think that number is properly accounted for in this budget going forward 10 years. That system is criticized by many, including President Bush, as being not robust enough; that we have to build a system that is layered, not just a midcourse interception of enemy missiles coming to the United States by land-based systems, but also we have to have sea-based systems perhaps that will intercept in the boost phase and other systems that can intercept in other phases in flight. All of this adds additional cost.

If the Administration chooses to go to a sea-based system, the likely candidate is called the Navy theater-wide missile defense system. That is one system. That system is just being developed now. Estimates for that system—to buy the ships, deploy the radar, deploy the missiles—is about $5.5 billion. Again, we are not talking about this cost.

If we look at another aspect—the spaced-based laser is the program the Air Force is developing—this system would be designed to be orbiting in space and also intercept enemy missiles. That is another multibillion-dollar program that is hardly off the drawing board. Yet the administration may choose to pursue this option and the cost is not accounted for.

That is the realm of national missile defense—about $115 billion and counting. Indeed, every time there is an estimate of costs, the costs go up.

This is a revolutionary innovative system that the Defense Department is already developing. But none of these costs are provided in this budget.

If we look at theater missile defense, we just had good news. The PAC–3 missile system has been successfully tested. It is an advanced theater missile defense, but the sobering fact is that the PAC–3 missiles cost has increased more than 100 percent over the last few years, another cost not appropriately factored into the system.

There is another Navy lower-tier missile defense system with estimates of about $7 billion to develop. Again, it is not recognized in this budget.

The Army is developing a missile defense called THAAD. Once again, that is struggling forward, being tested, being developed, estimated at billions of dollars.

There is the Air Force airborne laser on aircraft, estimated at $6.5 billion in acquisition costs. That, too, is being considered but not budgeted.

After we look at these programs, one after the other, and the President's commitment to have a robust comprehensive national missile defense and theater missile defense, we are talking about hundreds of billions of dollars. It is not in this budget.

Just as the President eloquently and passionately called for a tax cut, he called for national missile defense. This budget is silent about those costs as it trumpets tax cuts.

I do not think that is the way to do a budget. I do not think that is fair to our military forces because we know what will happen. These programs will be urged upon us. We will have a choice to borrow money because there is no money left after the tax cut to fund military programs, or to take money from domestic priorities.

I do not think we should put ourselves in that position. We should honestly and fairly put in this budget those costs we know and the significant costs that are coming regardless of the outcome of this strategic review.

We can illustrate, talk about other costs. We have other responsibilities. In the last few weeks, as a member of the Strategic Subcommittee of the Armed Services Committee, we have had several different commissions report to us. They have already done their studies.

Secretary Schlesinger, former Secretary of Defense and former Secretary of Energy, reported to us on the status of our nuclear safeguarding procedures and all the laboratories that guard the readiness of our nuclear devices. His estimate is $800 million just for maintenance backlog; $300 million to $500 million per year for ten years for recapitalization—new equipment, new computers—billions of dollars a year to clean up nuclear waste sites. We know these costs already. They are not in this budget.

The Department of Energy also runs programs to reduce the threat of weapons in the former Soviet Union, in Russia. We have been funding multimillion-dollar programs which we have to continue to fund to ensure our national security.

The Strategic Subcommittee has heard the Space Commission's report. The Space Commission was chaired by Secretary of Defense Rumsfeld. This Space Commission has urged significant investments in our space capability. They rightly point out we don't have the situational awareness from space to understand what type of missiles might be fired, what might be a threat to us, or not a threat to us. They have not put a price tag on it. But again, we are talking about a very innovative, very expensive system, that the Secretary of Defense is very committed to. Another total not reflected in the budget.

We just had this week a report about the National Reconnaissance Office which is responsible for overhead coverage, our satellites, our intelligence satellite. They, too, are indicating additional moneys must be spent.

These studies have been completed. The verdict is in: We need more resources. Yet this budget does not reflect those costs. We are talking about billions and billions of dollars in military programs. One could debate and argue the merit of each, but we know they will be urged upon us.

We have a budget that ignores the obvious costs in order to fund a very large tax cut. I think we have to be straightforward and honest about this budget. We have to recognize the need for defense. Again, we are not prejudging the President; we are taking him at his word that he wants to build a national missile defense, that he wants to continue on the work of our nuclear stockpile safeguard program, that he wants us to be a leader in space as we have been on the oceans and in the skies and on land. And all of this costs money. There is none of this money in the budget.

I urge the passage of Senator LANDRIEU's amendment. I also urge as fervently that we look carefully at this budget and honestly reserve from this proposed tax cut the real resources we will be asking for and this administration will be asking for within months of our vote on this budget.

I yield the floor.

Mr. WARNER. Madam President, on my time, if I could ask my distinguished colleague a question. I pride myself on being among those who are strong supporters of the concept of a limited missile defense. I have been on this floor much of the 23 years I have been privileged to be in this body arguing for the need for this country to provide for its defense against that threat.

I listened to the very careful recitation of all the options in the outyears. I think some of those options require significant modification of the ABM Treaty. Do I glean from that the Senator could be in favor of modifications to the ABM Treaty, or maybe the abrogation of the treaty if we are unsuccessful in modifications?

Mr. REED. I respond at this juncture the question is premature since the systems we are testing have not proven effective technologically. I would be reluctant to abrogate a treaty until I knew we had a system that worked with a high degree of confidence. I hope some day we have that choice.

Mr. WARNER. I doubt we could proceed to some of the naval systems, which would require modification. You certainly have to concur in that.

Mr. REED. The Senator is likely right about those. As I understand the ABM Treaty, there are restrictions on

anything other than a limited land-based system.

Mr. WARNER. It is a point of reference. I also add the historic act adopted by Congress in response to the bill by the distinguished Senator from Mississippi, Mr. COCHRAN, carefully spells out that we can only proceed as technologically feasible, and that would be the pacing item. I am not so sure we can prejudge here in this limited review that we will spend all this money on missile defense that my colleague suggests. It seems to me we will have to pace ourselves as technically feasible.

I think to ask this Chamber at this time to accept as a premise that all of this money is going to develop in the hundreds-plus of billions of dollars at this early date is a little premature.

Mr. REED. I don't think the Senator is saying he suspects that the President is not serious about a missile defense.

Mr. WARNER. No, I am not saying that. I am dead serious. But I think we will pace ourselves, and it is a little early to begin to think about the magnitude of the budgets associated with missile defense.

I didn't hear my distinguished colleague from Louisiana mention missile defense in the course of her direct testimony unless I missed it.

Ms. LANDRIEU. No, the Senator from Virginia did not hear me, but our colleague did such a beautiful job on missile defense.

Mr. WARNER. I yield the floor.

Mr. CONRAD. Madam President, how much time remains on the amendment on our side?

The PRESIDING OFFICER. The Senator has 18 minutes, and there are 9 minutes remaining on the other side.

Mr. CONRAD. I have agreed that if Senator DOMENICI thinks he needs an additional 10 minutes, we will grant that in the interest of fairness.

If I might briefly say, I am kind of surprised at what I am hearing tonight. I hear from the other side they are fully ready to make a 10-year commitment to a tax cut, but they don't want to make a 10-year commitment to defense. There is not a soul in this body who doesn't know when the President's strategic review is completed they will come back and ask for additional money. Does anybody believe they will not do that? When they come back, the cupboard will be bare; the money will be gone.

What we are saying with this amendment is, let's put some money in the cupboard so when we are asked to fund defense with additional dollars, we have it. That is a responsible thing to do.

I commend the Senator from Louisiana. I commend the Senator from Missouri. I commend the Senator from Rhode Island. This is responsible national defense policy.

I understand the Senator from Connecticut is seeking time.

Mr. LIEBERMAN. I was hoping the Senator would have commended me, too, for cosponsoring this amendment.

Mr. CONRAD. I am always glad to commend the Senator from Connecticut, and I yield 10 minutes to the Senator.

Mr. LIEBERMAN. I thank my friend and colleague from North Dakota for his thoughtful and persistent and effective leadership on these budgetary matters. I thank the Chair and will see if I can use less than 10 minutes.

I rise today to support this amendment offered by the lead sponsor, my friend and colleague on the Armed Services Committee, Senator LANDRIEU of Louisiana, and also cosponsored by Senator CARNAHAN, a new member of the committee, from Missouri.

This is an important amendment. The Senator from North Dakota spoke some words that struck me as I listened to my chairman from Virginia about going ahead with this for 1 year but not for the 10 years. Of course, the powerful reality is, we are arguing about priorities and fiscal responsibility.

The concern of so many Members is we are committing to this enormous tax plan from the President which, by the Concord Coalition estimate, will cost $2.3 trillion over the next 10 years, threatening to take us back—not just threatening but likely to take us back—into deficit, higher interest rates, higher unemployment and we are prepared to consider on a 10-year basis. When it comes to the needs of our military, we are only prepared to allot the appropriate amount of money for 1 year.

I think what is appropriate on the revenue side is appropriate on the spending side. What is most appropriate is fiscal responsibility. What this amendment by Senator LANDRIEU puts at issue is what this debate on the budget resolution is all about, which is priorities. I suppose it is not only about that. The other part is fiscal responsibility.

We say it over and over again, and it is true, when it comes to the health of our economy, most of it happens in the private sector. Government doesn't create jobs. The private sector does. But there are a few things that Government can do to create the environment for jobs and give some incentives for jobs and economic growth. The first and most important is to remain fiscally responsible. The second is to make the kinds of investments that help the private sector grow. Incidentally, one of those is to support research and development through the Defense Department, which has traditionally, in our country, led to enormous economic growth.

So this is about fiscal responsibility. But then this amendment really is about priorities. You cannot have it all. You cannot have it all and be fiscally responsible. If you go for the Concord Coalition estimate of $2.3 trillion on the Bush tax plan, then you are making it impossible to do a lot of other things that we must do and that the people want us to do.

Of course, one of the most fundamental responsibilities that Government has is to provide for the common defense of our Nation. That does not come cheaply. There is no free lunch when it comes to national security.

Others have said, and I need not belabor the fact, that in the last campaign then-Governor Bush and Secretary CHENEY were very critical of our allocation of resources for the military and assured the military, particularly personnel, that help was on the way. Here we are in April of 2001. President Bush sends his budget to us, at least in general terms. I think we have to conclude that help may be on the way, but when it comes to our defense budget, the check must have been lost in the mail because we are not meeting the needs all of us know are there.

This amendment, introduced by the two Senators, one from Louisiana, the other from Missouri, of which I am proud to be a cosponsor, would right that wrong. It takes $100 billion from money that would be spent on the tax cut and allocates it, $10 billion a year, to our national security. It also does what folks at the Pentagon will tell you they desperately need, which is to allow for an emergency defense supplemental of $7.1 billion this year. That would make up for the $1.4 billion deficit now in the defense health program and provide immediate assistance for the real serious near-term readiness and personnel needs that have resulted from the military reductions and operating tempo increases we have seen since the end of the cold war.

There are real and present needs now that this amendment would meet. I know there has been reference to the strategic review being done in the Defense Department. I support that review. I am very encouraged by the instructions that Secretary Rumsfeld has given to those who are working on the review. We need to transform our military. We need to use the technology that is available around the world today to make sure that we are ready for the threats that will come in the future and that we are not just prepared to fight the last war, or wars of the past.

But two things about that strategic review: One is that everyone knows there are needs now and there will be needs next year and the year after and for the coming decade that deal with shortfalls—certainly in the near term—shortfalls that are basic, in items as basic to the military as ammunition, flying hours, housing, quality of life for our military personnel as documented

by my colleagues who have already spoken, force protection, and aircraft and ship maintenance, including, incidentally, repairs to the U.S.S. Cole. There are immediate needs now, regardless of what the strategic review brings.

Second, as my colleagues have said already, and I will say it, therefore, briefly, no one should be under the illusion that whatever the strategic review brings will it say that we can maintain our national defense by spending less money. We are working through our committee on a bipartisan basis to push the Pentagon to be as efficient as possible. Some members of the committee have come out again with a call for another round of the BRAC, of the base realignment and closure operation, to avoid wasteful spending. But there has never been a strategic review—never been an historic transformation such as we are going through in our military today, attempting to apply the lessons and the products of information technology and high technology to our military—that has cost less. So this is a very measured and moderate amendment.

The fact is, I would wager, my colleagues, that if we had the ability to take ourselves 10 years forward and look back, assuming that we in our time and those who follow us are responsible, which I hope and trust they will be, we will, in fact, spend much more than the extra $100 billion that Senator LANDRIEU'S amendment allocates to the military because we will feel it is necessary.

Mr. WARNER. Mr. President, will the Senator yield for a question? I will ask him on my time.

Mr. LIEBERMAN. Yes, indeed. I am happy to yield.

Mr. WARNER. Did I understand the Senator to say his interpretation of the amendment is that it covers the fiscal year 2001 for the supplemental? I bring to the attention of the Senator the amendment. I do not find that provision in it.

Mr. LIEBERMAN. Responding to the Senator from Virginia, noting a very definitive but subtle shake of the head by the Senator from Louisiana, I therefore reached the conclusion that what I thought was the original intention of the amendment, which was to include an emergency supplemental for the defense, is not true?

Ms. LANDRIEU. Will the Senator yield for a clarification?

Mr. LIEBERMAN. I yield to my colleague from Louisiana.

Mr. WARNER. If I may continue the colloquy—but go right ahead.

Ms. LANDRIEU. Which makes it even more important we adopt the Landrieu-Carnahan amendment because at least there will be some money in the bank to pay some bills we know are coming due, in addition to the real and urgent needs that the supplemental represents. So I thank my colleague for raising that issue. This amendment does not cover it, but if there was a way for it to, we most certainly should because that is an additional obligation that we should meet.

Mr. WARNER. Mr. President, I recognize this Senator was one of the first to say there is a need for a supplemental, even at the time when my respected President wasn't totally in agreement with what I was saying, but now there is thinking within the department that this supplemental will be necessary and will be forthcoming. But I don't want anybody coming tonight thinking that supporting the Landrieu amendment is going to provide for the 2001 shortfalls which this Chamber will have to address at some point in time when the Appropriations Committee brings to the floor a supplemental.

I think my good friend slightly misspoke. I wanted to correct it in a very polite way. If I could move on to the second part of my question——

Mr. LIEBERMAN. If I might respond, on my time, I thank the Senator from Virginia, my respected chairman of the committee. I am encouraged. I know the military was very hopeful, as this administration began, that they would have the opportunity to receive a supplemental appropriation. I commend the Senator from Virginia. As I recall, on February 7 he sent a letter, along with 8 colleagues, to the President, stating that there are bills ''which must be paid now. If money is not provided in these areas there could be a significant negative impact on readiness for this fiscal year and beyond.''

So as Senator LANDRIEU says, this amendment would take care of the ''beyond.'' I hope you and I and Senator LANDRIEU and others can stand on this floor in this fiscal year and support a supplemental for the Pentagon.

Mr. WARNER. Mr. President, let us proceed on the second part of my question.

The PRESIDING OFFICER. The 10 minutes of the Senator has expired.

Mr. WARNER. I want to ask my questions on my time. Perhaps he could just be given another minute or so to respond to the question. Is that agreeable? On his time?

The PRESIDING OFFICER. That is up to the Senator from North Dakota.

Mr. CONRAD. Mr. President, how much time do we have remaining on this side?

The PRESIDING OFFICER. The Senator has 6½ minutes.

Mr. CONRAD. I ask the time be charged to the Senator raising the question. We have additional time that we can grant to the Senator from New Mexico for that purpose.

Mr. DOMENICI. Are you asking the question?

Mr. WARNER. I am going to ask my colleague from Connecticut another question which I thought I would ask on my time but he can respond on his time. It would take him less than a minute, I am sure. He has it right on his fingertips.

Mr. CONRAD. The problem is we do not have the additional time on this side.

Mr. WARNER. Mr. President, I will yield my colleague a half a minute—a minute on my time to answer the following question.

Mr. LIEBERMAN. The Senator from Virginia is showing his normal generosity.

Mr. WARNER. Let me address again the letter to the budget chairman, ranking member, from Senator LEVIN, which is written in very clear, plain language:

> In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 [as we have discussed] supplemental is appropriate, including the shortfalls that experts . . . have identified in the defense . . .

We got that.

> With respect to Fiscal Year[s] 2002 [which we are talking about] . . . I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before [Senator] we make final decisions [which this amendment asks] on the shape and overall funding levels for our future defense program.

Do you agree with him?

Mr. LIEBERMAN. Very briefly, I do. Of course, Senator LEVIN'S hope, and the rest of us, many on the committee, was that the defense supplemental would come to us before the budget resolution. But here we are on the budget resolution now, needing to make judgments about next year and years after. That is the purpose of this amendment.

Mr. WARNER. Mr. President, the language is clear. I simply ask: Do you agree or disagree with his statement again, that we should receive the results of these studies ''before we, the Congress, make final decisions on the shape and overall funding levels for our future defense program?'' Our time has expired.

Mr. LIEBERMAN. Very briefly, I say, I think my distinguished colleague from Virginia is misapplying what Senator LEVIN was saying.

Mr. WARNER. I have read it.

Mr. LIEBERMAN. Which is, he wanted an immediate defense supplemental. But here we are on the budget resolution, so our responsibility is to go forward. I will read one sentence. He says very clearly in another sentence:

> However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategy review.

Mr. WARNER. The letter is in the RECORD. I cannot take more of our time.

Mr. LIEBERMAN. I thank the Senator from Virginia and the Chair. I yield the floor.

Ms. LANDRIEU. I believe I have 5 minutes.

The PRESIDING OFFICER. There are 6½ minutes under the control of the Senator from North Dakota.

Mr. CONRAD. Mr. President, how much time remains on the other side?

The PRESIDING OFFICER. Six minutes 15 seconds.

Mr. CONRAD. Six minutes on the Republican side?

The PRESIDING OFFICER. Correct.

Mr. CONRAD. And we have 6 minutes on our side. I should remind the Senator from Louisiana that I indicated we would be willing to provide another 10 minutes to the Senator from New Mexico in fairness.

Would the Senator from New Mexico like that time at this point?

Mr. DOMENICI. Yes. I think to allocate it would be splendid. I may not use it all. I may give some of it back.

Mr. CONRAD. I think in fairness we should do that. And I so move that we provide an additional 10 minutes to the Republican side so that it is a fair distribution of time.

Mr. DOMENICI. I say to the Senator, thank you.

Mr. President, how much time do we have now from the amendment and the 10 minutes added?

The PRESIDING OFFICER. Sixteen minutes.

Mr. DOMENICI. I thank the Chair.

Now, Mr. President, I am sure the distinguished Senator from Virginia, Mr. WARNER, would desire to speak with some additional time, and I am sure I will not use all of it.

Mr. WARNER. That is all right. Go ahead.

Mr. DOMENICI. First, let me say, it is important we put into perspective, for those who are concerned about defense, what the Warner amendment will do for defense this year. This amendment sets a new level for national defense spending for the year 2002. It adds $22.4 billion in budget authority over the 2001 budget. That is a 7.2-percent increase. Compared to the President's budget, this proposal adds $8.5 billion in 2002. The proposal is also a $23.5 billion increase for national defense over what President Clinton sought for the year 2002.

So I believe those who are concerned about what we ought to spend in the year 2002 should be rather comfortable that when you have this, plus what is in the President's budget, you have a very substantial increase for the year 2002.

I want to make a few assumptions that I don't need anybody to concur on, but I want to make sure the RECORD reflects what I assume.

First, this amendment assumes all the increases in President Bush's plans for pay raises for military personnel—I do not believe there is any disagreement over that—for retention, for housing, for TRICARE, and research and development.

I would also assume that it includes $3.1 billion more for the Defense Health Program. I am not asking does the distinguished Senator agree, but I am suggesting those who support that program expect $3.1 billion out of that $23.5 billion we are speaking of which is added for defense this year. In addition, it will restore the TRICARE costs and all direct care in military treatment facilities.

That is going to be tough. But remember, we voted for it. We voted for it. Now we cannot say we are not going to fund it.

The Defense Health Program has been experiencing annual shortfalls, and this has been occurring recently because the budget requests—I am not speaking of this budget but the budget requests from the administration—have underestimated inflationary costs for health care each and every year when they send the allowance up here for health care programs.

This year Defense Health Program officials have been instructed to use an inflation rate of 4.2, I say to my friend. But this year the Health Care Financing Administration estimates that inflation will be 7 percent, I say to all those interested in our defense. And that can be covered if we are careful in terms of what we use this increase for.

There is going to be a shortfall in the Defense Health Program, and we all know that. I think it is a matter of making sure, with the give-and-take with the administration, we do right by it. Yes, it is a $3.1 billion shortfall. That means we underestimated what they need.

The Surgeons General of the military services have told Congress that they will have to furlough healthcare personnel, close pharmacies, and refuse service at military treatment facilities if additional funding is not found for 2001 very soon. If we do not fully fund the program for 2002, we will have the same problem again next year. This is not acceptable. Does any Senator know of a worse way to address morale and retention?

There is another important element of this amendment. It also restores cuts in the defense activities of the Department of Energy. The proposal fully funds DOE's Stockpile Stewardship Program and its nonproliferation activities. It adds $800 million for the Stockpile Stewardship Program and $100 million for nonproliferation.

Frankly, I do not expect my friend to agree this money is going to be used for that. But I want everybody to know I am going to work hard so it will be. Because one of the things that the defense establishment forgets about every year is that they have a little buddy over there called ''nuclear weapons,'' you see. They pay for all the rest of defense when they start allocating, but when they start having to give up defense money to the Department of Energy to do stockpile stewardship, which I say to my friend from Virginia is a fancy name for making sure we maintain healthy nuclear weapons—the totality of it to be safe and ready—they do not put enough money in it because it seems that it is not defense money.

But I am here to tell you, we are not going to be doing that in the future because this Senator is going to be here saying the nuclear arsenal is part of the defense of our Nation. It is underfunded. Its buildings are falling down.

I say to my good friend, while you never get to appropriate for it, you take a trip up there to the State where they have this Y–12 in the State of Tennessee.

Do you know what is happening up there, Mr. Chairman? There is a great big building that is part of the work being done on three of our nuclear weapons. And the roof is falling in on top of the heads of the workers. They all wear hardhats, even though it is not a hardhat environment. So we have to start by building that building, you see. And then there are a lot of others. We are asking, and so is the general in charge of nuclear weapons asking, that we fund that.

I am willing to add some more money later if somebody wants to argue about it, but I just want to make sure everybody knows I am voting for additional money because I do not think the President funded adequately what I am telling you about. I do not think his budget funds them adequately.

They are going to get funded adequately this year because the Senate is going to understand the precarious nature of not doing it. It might be one of the few times the Senator from New Mexico would ask for a closed session, which I have never done on an issue. But I am very worried about the condition of the science-based stockpile stewardship.

Let me close. If any of you do not understand that, it just means we are no longer doing underground testing, I say to my friends. We are no longer doing that because it is the policy of America.

Underground testing was how we proved the efficacy of nuclear weapons—their health, their effectiveness, their wellness. Now we do not do that anymore. So how in the world would you think we would be sure that some of our 20-, 30-, and 35-year-old weapons are safe and have a well-being about them? We start a science program. We are going to do it through science without underground testing.

That isn't something you get on the cheap. That is one of the most expensive science programs ever invented by man, to prove, without testing, that a nuclear weapons arsenal is safe. And it is very important for America.

So I am voting for the Senator's amendment tonight because I think we need to add some money to defense this year. I do not think we have to dream

about missile systems. I think we have to take care of and create a robust, high-morale establishment that maintains and perfects our nuclear weapons.

I never get a chance to tell Senators about this. That is why I asked them to give me 10 minutes because I didn't want to take it away from you. I can't find a better time to discuss it than here tonight when we speak of this very large add-on to the Defense Department. I hope I wasn't too technical. I hope everybody understands a little better what the nuclear weapons issue is all about.

I reserve whatever time we have.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I understand that I have approximately 5 or 6 minutes to close this argument.

First, I thank the Senators from Rhode Island, Connecticut, and Missouri for lending their voice to this important amendment and to this important debate. I also acknowledge the great respect I have for the chairman of the Budget Committee, the Senator from New Mexico, who has just spoken passionately about an issue he has spent a great deal of time and energy working on for many years. He has called us to task many times to try to deal with an issue that is sometimes technical and difficult to explain but nonetheless an obligation this Nation has to protect our children and our grandchildren.

He was speaking so beautifully in the 10 minutes given to him, it could have been allocated to our time, because he made so many of the arguments more eloquently than I can about the fact that this underlying budget does not have enough money or resources to do the things we know we need to do now. He has really helped make the argument of why the Landrieu-Carnahan amendment is so important.

Point No. 2, regarding the costs mentioned by our distinguished chairman for nuclear stockpile stewardship, for the health care shortfall, for TRICARE, for housing, I ask this question: Do these requirements cease after the year 2002? Do these expenses not continue to recur? It defies logic that we could provide for this funding for 1 year and then simply turn our backs and walk away. That is why a 1-year amendment, although it is helpful and I could probably vote for it because it is better than nothing, certainly falls short, terribly short, of what we need to do to make a long-term, 10-year commitment to the basics.

The third point: With all due respect to Senator WARNER, whom I admire so much, the distinguished Senator from Virginia submitted this letter, dated March 19, to Senator DOMENICI and Senator CONRAD signed by Senator LEVIN. He read the first two paragraphs. The most important paragraph is the fourth paragraph, which goes on to say, after saying we should consider the study:

> However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategic review. Some increases above the projections contained in the President's budget outline of February 28 will be needed to continue the transformation of our military to meet the threats of the new century, to fulfill the commitments the Congress has made to improve quality health care to active and retired military families, and to continue the progress we have made in recent years to improve compensation, housing and other quality of life programs for our military families.

He goes on to say:

> I also recommend that the Budget Resolution provide a sufficient mandatory spending allocation for the Committee. . . .

Point No. 4. Please be clear. Our amendment does not try to prejudge the President. We are trying to prepare to implement the strategic study. We are not standing in the way of the study. We are laying the groundwork that we can walk on, that we can fight on, that we can defend. This is about laying down a priority in our budget for the next 10 years. Are we going to say yes to defense or no? Are we going to live up to our promises or turn our backs again? Are we going to provide help or say, as the Senator from Connecticut said, the check must have been lost in the mail?

I know the Senators from Virginia and New Mexico too well to think they would walk away from obligations we have already made. I know that is not their intention. So let us do what is right. Let us choose the right priority, take the right step, be fiscally responsible. We know this bill is coming due. The question is, Is there going to be any money in the bank to pay it? If we don't vote for my amendment, the bank will be empty. There is nothing you can tell them. We are sorry; we spent the money.

I am not going to do that. Because I am on the committee, because I live in the State of Louisiana, I know how important this is. I know we are not asking for too much: $10 billion a year for 10 years. It is a minimal requirement to lay the groundwork for this study.

I ask the Senate to take this amendment seriously. This is a very important vote. We need to say yes. We can say yes to next year, with Senator WARNER at $8.5 billion, and we can say yes the next year because the need for health care doesn't stop. People aren't going to move out of their homes on the bases. We are not going to end the distribution of spare parts. We are not going to run out of the need for ammunition. We need it in 2003 and 2004.

I say to the Senate, let us live up to our promises, let us make the right decisions, and let's vote for the Landrieu-Carnahan amendment.

Ms. COLLINS. Mr. President, I am pleased to join my distinguished chairman, Senator WARNER, in cosponsoring this amendment to increase the budget for defense by $8.5 billion in fiscal year 2002. This amendment would help address current readiness shortfalls that the Department of Defense faces today, even as the new administration continues its strategic review.

I am hopeful that this strategic review will not only examine these current readiness challenges, but also take a hard look at the current shipbuilding rate and our shrinking industrial base. The numbers are astonishing: the U.S. Navy has shrunk from a fleet of 594 ships in 1987 to 315 ships today, while, during the same period, deployments have increased more than 300 percent. Regional Commanders-in-Chief have repeatedly warned that the fleet is stretched perilously thin and needs to be increased to 360-ships to meet present mission requirements.

Numbers do matter; on a typical day about half the ships in the Navy are at sea, with one-third deployed in the Mediterranean, the Persian Gulf, and the Western Pacific, putting wear and tear on our ships and sailors. In addition to combat over the last 10 years, naval forces have conducted 19 noncombat evacuation operations, 4 maritime intercept operations with more than 5,000 boardings in support of United Nations sanctions or U.S. drug policy, 32 humanitarian assistance operations, and 20 shows of force to send powerful messages to friends and foes alike.

Even though our deployments are at an exceptionally high rate, the U.S. shipbuilding industry is at risk of deteriorating if the current inadequate build rate for the Navy continues. At the current low rate of production, the cost for per ship will go up and the efficiency at the yard will go down.

The new administration and this Congress will be faced with the challenge of rebuilding and re-capitalizing the Nation's naval fleet. The numbers are just as clear as can be: At the present rate of investment our Navy is heading toward a 220-ship fleet, which is alarmingly inadequate.

A few other critical areas that have seemed to get little attention in a budget constrained environment are research and development and training. Steps need to be taken today to attract and retain a highly-skilled workforce necessary to build the complex warships required for our U.S. naval ships to operate against the emerging and traditional threats in the 21st century. Regardless of the result of the strategic review, forward deployed combat power will not only be required, but will continue to be a key element to our strategic posture.

I am standing here before you to support Senator WARNER's amendment and to highlight that the readiness issues facing our Nation's defense are only the tip of the iceberg in terms of the

defense challenges facing the new administration and this Congress. Today's shipbuilding account is woefully under-funded and does not provide the financial support necessary to maintain a viable industrial base. We, as the legislative body, need to take aggressive steps to ensure that our armed forces are equipped with the most capable and advanced ships in the world to defend our Nation's interests.

Mr. MCCAIN. Mr. President, I intend to vote for the amendment by Senators LANDRIEU, CARNAHAN, CONRAD, LIEBERMAN, REED and LEVIN because I believe that providing for a strong national defense is our most serious obligation.

Two years ago, President Clinton sent a letter to Secretary of Defense Bill Cohen that stated: ''Although we have done much to support readiness, more needs to be done.'' President Clinton made this statement in response to a briefing he had attended with Secretary Cohen, the Joint Chiefs of Staff and Commanders-in-Chief of the military combat commands.

I applauded President Clinton then for his reversal of 6 previous years of vastly underfunded defense budgets and for the reversal of the Service Chiefs in 1998, who confirmed many of the alarming readiness problems that had been identified in countless sources.

The imperative for increasing military readiness and reforming our military is as strong today, as it was two years ago. Anyone who dismisses our serious readiness problems, our concerns with morale and personnel retention, and our deficiencies in everything from spare parts to training is either willfully uniformed or untruthful.

What concerns me the most is that the highly skilled service men and women who have made our military the best fighting force the world has ever seen are leaving in droves, unlikely to be replaced in the near future. Their reason is obvious; they are overworked, underpaid, and away from home more and more often. Failure to fully and quickly address this facet of our readiness problem will be more damaging to both the near and long-term health of our all-volunteer force than we can imagine.

The cure for our defense decline will neither be quick nor cheap. The proper solution should not only shore up the Services' immediate needs, but should also address the modernization and personnel problems caused by years of chronic under funding. The solution will be found by using a comprehensive approach in which the President, civilian and uniformed military leadership, as well as Congress, will be required to make tough choices and even tougher commitments.

I further hope that we do not fall into the trap of comparing defense expenditures of the U.S. versus potential threat countries, because dollar to dollar comparisons are meaningless. Only the U.S. has the global responsibilities that come with being the lone superpower. Our foes can employ asymmetric forces against our weaknesses and achieve a disproportionate level of success.

I was concerned that recently, the USS *Kitty Hawk* battle group, stationed in Japan, reported less-than-favorable readiness numbers, short some 1,000 sailors, at the same time that tensions have increased in the South China Sea.

I hope we do not focus solely on the readiness of front-line forces, because the Army divisions that have good readiness numbers are being supported by units that have less-impressive ratings. We need a comprehensive remedy, not a shotgun approach. These support forces, some of them reserve component forces, have become the backbone of our fighting forces and need the most attention.

This degradation of the ''tail'' that trains and supports the ''teeth'' of the U.S. military must be reversed. We have the world's finest military, but that is principally because the people in the military, primarily the young enlisted, our NCOs, petty officers, chiefs, Gunnies, and sergeants, continue to do more with less. Our ability to field credible front-line forces is due to the efforts of our service members, as we live off of the deteriorating remnants of the Reagan buildup. That is difficult to admit, until you review the list of aircraft, ships, artillery, and tanks in our current weapons inventory.

The administration must take several steps: propose realistic budget requests; specifically budget for ongoing contingency operations; provide adequately for modernization; ensure equipment maintenance is adequately funded; resolve the wide pay and benefits disparity that precludes the Services from competing successfully for volunteers with the private sector; and demonstrate strong support for additional base closure rounds.

Mr. THURMOND. Mr. President, as the Senate debates President Bush's first budget proposal, I want to join my colleagues in congratulating the President on his commitment to revitalize our Nation's economy and national security. The President's budget proposal is fiscally responsible and represents a prudent first step as he organizes his administration and focuses on the issues facing both the Nation and the World. I especially want to recognize the President's challenge to Secretary of Defense Rumsfeld to conduct a strategic review of our national security requirements. This review is long overdue and I anticipate it will bring about significant changes to our national security strategy and our military services.

I have been privileged to be a member of the Senate Armed Services Committee since 1959. During this period I have been a witness to both the greatness and tragedy of military service. After the tragic conflict in Vietnam, we saw a sharp decline in the readiness and morale of our armed forces. The Reagan era brought about a revitalization in our armed forces that culminated in the end of the Cold War and the great victory in the desert of Iraq. Now again, our military is showing its age and neglect. Our soldiers, sailors, airmen and Marines are still the best, but the equipment and facilities are wearing out because of under funding and overuse.

In a recent interview on the state of our Armed Forces, the Chairman of the Joint Chiefs of Staff, General Shelton, stated: ''If we go back 15 to 16 years, America was spending roughly 6.5 percent of our gross domestic product on defense. Today we spend right at 3 percent. Put another way, if we were spending the same percent of our national wealth, our GDP, on the armed forces today that we were spending in 1985, the defense budget would be double what it is today. The Army in 1989 had 18 divisions. Today it's down to 10. The Air Force had 36 fighter wings. Today it has 20. The Navy had just short of 600 ships. Today it's got just over 300 ships. We have taken 700,000 out of the active force. That is greater than the armed forces of the UK, Germany, the Danes and the Dutch put together. So we have restructured, and we have downsized. As an example, our Army is right now the seventh-largest in the world.''

General Shelton's comments show that we have adjusted to the new world, although in my judgement we have gone too far both in terms of force structure and funding. I am especially concerned over the shortfall in funding over the past ten years. We have frequently heard about the aging equipment and lack of spare parts. I would like to focus on our aging military facilities. According to the GAO, in 1992 the military had accumulated an estimated $8.9 billion in deferred facility maintenance. By 1998, that had grown to $14.6 billion. The backlog now exceeds $16 billion and it is still growing. If we do not reverse this trend, our military installations will continue to deteriorate and quality of life and readiness will continue to decline.

President Bush has proposed a $14.2 billion increase over last year's defense budget. Although this is significant, it will not provide the necessary resources to fix the immediate readiness shortfall identified to the Armed Services Committee by the military services. Chairman Warner's amendment to increase the defense budget by another $8.5 billion is a modest increase to fund critical manpower and readiness issues. In my judgement, it is a down payment to the increase that the President will seek after Secretary Rumsfeld completes his strategic review. I urge my

colleagues to support the amendment and prove our support to the men and women who wear the uniforms of our military services.

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

The Senator from New Mexico has 8 minutes.

Mr. DOMENICI. Mr. President, I yield 5 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I say to my distinguished colleague, when I addressed the letter from Senator LEVIN, I put it in its entirety into the RECORD. I didn't in any way try to deceive the Senate as to his feelings about a different approach than my distinguished colleague from Louisiana, his approach being that we should begin to plan for the outyears, but it wasn't sort of a mandatory $10 billion for the outyears. It was more in the nature of some sort of a reserve fund.

The key to it is, who is going to run defense? The Constitution of the United States says very clearly that the President is the Commander in Chief. It is the function of the executive branch to make the determination with regard to the needs and the requirements of our Armed Forces. As Senator LEVIN said very explicitly, he supports the reviews, and he says in absolutely clear language: And Congress, before we make our final decisions on the shape and overall funding levels for our future, let's hear from the President.

That is consistent with the Constitution. That is the way we have done business. I think that is the way we should continue to do business. It may well be in the year 2003 we need additional funding over and above the 10, but the subsequent fiscal years may require less funding.

I say with all due respect to my colleague, let us follow the constitutional mandate: The Commander in Chief, the President, proposes; Congress disposes. Someone far brighter than I in the history of this venerable institution, the Congress of the United States, made that statement. And it has been with us for these years.

Let our President propose, as he is entrusted to do under the Constitution, and then each year we will go through the normal cycles that we do year after year.

What is here is a means by which to reduce the President's tax bill. I respect the difference of opinion on this side of the aisle where I find myself very comfortably ensconced for the remainder of this debate. We should respect your views. But if you are going to do it, let's knock out all the business about defense and say you want to knock down the tax bill by $100 billion, and put the issue straight before the Senate. But as it relates to defense, I don't think we want to start a radical departure. I have been associated with defense for a number of years, starting in the Navy Secretariat in 1969, and now 23 years here. I have never seen the Congress allocate specific sums of increases without the budget request from the President of the United States, which has to be justified. You are speculating—and it may be correct—that we will need increases for one or more fiscal years. But I don't think it is our responsibility now to subvert the Constitution, which says the President is the Commander in Chief. The President will propose and, in due course, the Congress will dispose.

With all due respect to my colleague, I certainly support the basic thrust of 2002. Our bills parallel in many respects. Mine takes care of 2002, lets the President finish his studies, and lets Congress analyze them and then makes the decision.

Ms. LANDRIEU. My colleague from Virginia knows how much I respect him for his leadership on this subject and how difficult I know this debate is for him because he has been a champion of defense spending and strengthening our defenses and actually appropriating money in very wise ways, as we say about boosting the morale.

But I have to go back to this letter. I most certainly know we have both turned it in for the RECORD. I think it is important because Senator LEVIN is on his way to this debate—since this letter is written by him—to make sure the Members understand the context of this letter. If it is read in its entirety, which I tried to do—not just reading the paragraph to which you referred but the next paragraph—it is clear that Senator LEVIN says that, while we do need to support the study, we must set aside now the resources necessary to fund the outcome of the study.

I know the Senator from Virginia is familiar with the Congressional Budget Office study. I know he is familiar with ''Defending America, The Plan to Meet Our Missile Defense''—the numerous studies that have been done. Not one study indicates that we will be spending less money, but all suggest that we will be spending more, but differently.

So again, I will conclude because I think my time is up. We are going to have a bill coming due. The question is, Is there money in the bank to pay it? Please vote for the Landrieu-Carnahan amendment so we have money to pay these bills when they come due and live up to our promises to our men and women in uniform. I yield back my time.

Mr. WARNER. Mr. President, I simply say to my colleague, we have had a good debate. We have framed the issue very clearly. My posture is we should proceed to let the Commander in Chief conduct his studies. There is nothing in this debate to refute Mr. LEVIN. He said, ''. . . before we make final decisions on the shape and overall funding levels for our future defense programs,'' we should have those studies. I am saying that we are encroaching on what my distinguished ranking member said in clear English language. I say that with respect to the Senator. I yield back any time I have.

Mr. DOMENICI. I yield back any time I have.

The PRESIDING OFFICER. The question is on agreeing to the Landrieu amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—47

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	McCain
Bingaman	Feingold	Mikulski
Breaux	Feinstein	Murray
Byrd	Graham	Nelson (FL)
Cantwell	Harkin	Nelson (NE)
Carnahan	Hollings	Reed
Carper	Inouye	Reid
Cleland	Johnson	Rockefeller
Clinton	Kennedy	Sarbanes
Conrad	Kerry	Schumer
Corzine	Kohl	Stabenow
Daschle	Landrieu	Wellstone
Dayton	Leahy	

NAYS—52

Allard	Frist	Roberts
Allen	Gramm	Santorum
Bennett	Grassley	Sessions
Bond	Gregg	Shelby
Brownback	Hagel	Smith (NH)
Bunning	Hatch	Smith (OR)
Burns	Helms	Snowe
Campbell	Hutchinson	Specter
Chafee	Hutchison	Stevens
Cochran	Inhofe	Thomas
Collins	Jeffords	Thompson
Craig	Kyl	Thurmond
Crapo	Lott	Torricelli
DeWine	Lugar	Voinovich
Domenici	McConnell	Warner
Ensign	Miller	Wyden
Enzi	Murkowski	
Fitzgerald	Nickles	

NOT VOTING—1

Boxer

The amendment (No. 188) was rejected.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was rejected.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

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

VOTE ON AMENDMENT NO. 189

Mr. DOMENICI. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The question is on agreeing to amendment No. 189. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 84, nays 16, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—84

Akaka	DeWine	Lieberman
Allard	Dodd	Lott
Allen	Domenici	Lugar
Baucus	Dorgan	McCain
Bayh	Edwards	McConnell
Bennett	Ensign	Mikulski
Biden	Enzi	Miller
Bingaman	Feinstein	Murkowski
Bond	Fitzgerald	Nelson (FL)
Breaux	Frist	Nelson (NE)
Brownback	Graham	Nickles
Bunning	Grassley	Reid
Burns	Hagel	Roberts
Byrd	Hatch	Rockefeller
Campbell	Helms	Santorum
Cantwell	Hollings	Sarbanes
Carnahan	Hutchinson	Sessions
Carper	Hutchison	Shelby
Chafee	Inhofe	Smith (NH)
Cleland	Inouye	Smith (OR)
Clinton	Jeffords	Snowe
Cochran	Johnson	Specter
Collins	Kerry	Stevens
Conrad	Kohl	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Thurmond
Daschle	Leahy	Voinovich
Dayton	Levin	Warner

NAYS—16

Boxer	Harkin	Stabenow
Corzine	Kennedy	Torricelli
Durbin	Lincoln	Wellstone
Feingold	Murray	Wyden
Gramm	Reed	
Gregg	Schumer	

The amendment (No. 189) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand this consent agreement has been cleared on both sides.

I ask unanimous consent that Senator COLLINS now be recognized to offer her amendment and, following the reporting by the clerk, the amendment be laid aside and Senator CONRAD or his designee be recognized to offer an amendment relative to home health care.

I further ask consent that the debate run concurrently on both first-degree amendments and be limited to 60 minutes equally divided, and following that time the amendments be laid aside.

I further ask consent that no amendments be in order prior to the votes just described, and the votes occur in a stacked sequence, first in relation to the Conrad amendment, and then in relation to the Collins amendment, beginning at 9:30, with 10 minutes for closing remarks equally divided prior to the 9:30 stacked votes.

I also ask consent that following those votes, Senator CONRAD be recognized to offer an amendment relative to deficit reduction, as under the previous order.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. CONRAD. And I will not object. This is in accordance with what we discussed?

Mr. DOMENICI. Yes. Has the Chair ruled?

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

Mr. DOMENICI. In light of this agreement, there will be no further votes tonight. The next votes will occur in stacked sequence at 9:30 a.m. tomorrow.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 190

Ms. COLLINS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for herself, Mr. BOND, Ms. MIKULSKI, Mr. ROBERTS, Mr. COCHRAN, Mr. SMITH of Oregon, Ms. SNOWE, Mr. ENZI, Mr. HUTCHINSON, and Mr. SANTORUM, proposes an amendment numbered 190.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a reserve fund to eliminate further cuts in medicare payments to home health agencies)

At the end of title II, insert the following:

SEC. ____. RESERVE FUND FOR MEDICARE PAYMENTS TO HOME HEALTH AGENCIES.

If the Senate Committee on Finance or the House Committee on Ways and Means or Commerce reports a bill, or if an amendment thereto is offered or a conference report thereon is submitted, that repeals the 15 percent reduction in payments under the medicare program to home health agencies enacted by the Balanced Budget Act of 1997 and now scheduled to go into effect on October 1, 2002, the chairman of the Committee on the Budget of the House or Senate may increase the allocation of new budget authority and outlays to that committee and other appropriate budgetary aggregates and levels by the amount needed, but not to exceed $0 in new budget authority and outlays in 2002, $4,000,000,000 for the period 2002 through 2006, and $13,700,000,000 for the period 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

The PRESIDING OFFICER. Under the previous order, the amendment is laid aside. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, Senator STABENOW is my designee on this amendment. She has the amendment to send to the desk. I yield to Senator STABENOW.

AMENDMENT NO. 191

Ms. STABENOW. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows.

The Senator from Michigan [Ms. STABENOW], for herself and Mr. JOHNSON, proposes an amendment numbered 191.

Ms. STABENOW. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To eliminate further cuts in Medicare payments to home health agencies)

On page 2, line 18, increase the amount by $700,000,000.

On page 3, line 1, increase the amount by $1,000,000,000.

On page 3, line 2, increase the amount by $1,100,000,000.

On page 3, line 3, increase the amount by $1,300,000,000.

On page 3, line 4, increase the amount by $1,500,000,000.

On page 3, line 5, increase the amount by $1,700,000,000.

On page 3, line 6, increase the amount by $1,900,000,000.

On page 3, line 7, increase the amount by $2,100,000,000.

On page 3, line 8, increase the amount by $2,400,000,000.

On page 3, line 14, decrease the amount by $700,000,000.

On page 3, line 15, decrease the amount by $1,000,000,000.

On page 3, line 16, decrease the amount by $1,100,000,000.

On page 3, line 17, decrease the amount by $1,300,000,000.

On page 3, line 18, decrease the amount by $1,500,000,000.

On page 3, line 19, decrease the amount by $1,700,000,000.

On page 3, line 20, decrease the amount by $1,900,000,000.

On page 3, line 21, decrease the amount by $2,100,000,000.

On page 3, line 22, decrease the amount by $2,400,000,000.

On page 4, line 3, increase the amount by $700,000,000.

On page 4, line 4, increase the amount by $1,000,000,000.

On page 4, line 5, increase the amount by $1,100,000,000.

On page 4, line 6, increase the amount by $1,300,000,000.

On page 4, line 7, increase the amount by $1,500,000,000.

On page 4, line 8, increase the amount by $1,700,000,000.

On page 4, line 9, increase the amount by $1,900,000,000.
On page 4, line 10, increase the amount by $2,100,000,000.
On page 4, line 11, increase the amount by $2,400,000,000.
On page 4, line 17, increase the amount by $700,000,000.
On page 4, line 18, increase the amount by $1,000,000,000.
On page 4, line 19, increase the amount by $1,100,000,000.
On page 4, line 20, increase the amount by $1,300,000,000.
On page 4, line 21, increase the amount by $1,500,000,000.
On page 4, line 22, increase the amount by $1,700,000,000.
On page 4, line 23, increase the amount by $1,900,000,000.
On page 5, line 1, increase the amount by $2,100,000,000.
On page 5, line 2, increase the amount by $2,400,000,000.
On page 30, line 23, increase the amount by $700,000,000.
On page 30, line 24, increase the amount by $700,000,000.
On page 31, line 2, increase the amount by $1,000,000,000.
On page 31, line 3, increase the amount by $1,000,000,000.
On page 31, line 6, increase the amount by $1,100,000,000.
On page 31, line 7, increase the amount by $1,100,000,000.
On page 31, line 10, increase the amount by $1,300,000,000.
On page 31, line 10, increase the amount by $1,300,000,000.
On page 31, line 14, increase the amount by $1,500,000,000.
On page 31, line 15, increase the amount by $1,500,000,000.
On page 31, line 18, increase the amount by $1,700,000,000.
On page 31, line 19, increase the amount by $1,700,000,000.
On page 31, line 22, increase the amount by $1,900,000,000.
On page 31, line 23, increase the amount by $1,900,000,000.
On page 32, line 2, increase the amount by $2,100,000,000.
On page 32, line 3, increase the amount by $2,100,000,000.
On page 32, line 6, increase the amount by $2,400,000,000.
On page 32, line 7, increase the amount by $2,400,000,000.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I am pleased to join with several of my colleagues, including Senators BOND, HUTCHINSON, MIKULSKI, ENSIGN, SNOWE, COCHRAN, GORDON SMITH, and SANTORUM, in introducing this amendment to eliminate the automatic 15-percent reduction in Medicare payments to home health agencies now scheduled to take effect on October 1 of next year.

Our amendment will create a reserve fund of $13.7 billion that can be used solely to eliminate the 15-percent reduction in payments to home health agencies now scheduled to go into effect on October 1, 2002. Our amendment contains a safety mechanism that protects the Medicare HI trust fund for each year covered by the budget resolution. In other words—I want this to be clear—the Medicare trust fund will not be used to pay for the elimination of the scheduled reduction in home health payments.

Health care has gone full circle. Patients are spending less time in the hospital, more and more procedures are being done on an outpatient basis, and recovery and care for patients with chronic diseases and conditions have increasingly been taking place in the home. Moreover, the number of older Americans who are chronically ill or disabled in some way continues to grow with each passing year as our population grows older.

As a consequence, home health care has become an increasingly important part of our health care system. The kinds of highly skilled and often technically complex services that our Nation's home health nurses provide have enabled millions of our most frail and vulnerable elderly individuals to avoid hospitals and nursing homes and stay just where they want to be—in the comfort, security, and privacy of their own homes.

The rapid growth in home health spending, from 1990 to 1997, understandably prompted the Congress and the Clinton administration, as part of the Balanced Budget Act of 1997, to initiate changes that were intended to slow the growth in spending and make this important program more cost effective and efficient. Unfortunately, these measures have produced cuts in home health spending far beyond what Congress ever intended.

According to estimates by the Congressional Budget Office, home health spending dropped to $9.2 billion in the year 2000, just about half the amount we were spending in 1997. This is at a time when demand and the need for home health services have only increased. On the horizon and very troubling is an additional 15-percent cut that would put our already struggling home health agencies at risk and would seriously jeopardize access to critical home health services for millions of our Nation's seniors.

The Medicare home health benefit has already been cut far more deeply and abruptly than any other benefit in the history of the Medicare program. It is now abundantly clear that the savings goals set for home health in the Balanced Budget Act of 1997 have not only been met but far surpassed. The most recent CBO projections show that the post-Balanced Budget Act reductions in home health services will amount to about $69 billion between fiscal years 1998 and 2002. This is more than four times the $16 billion that the CBO originally estimated for that time period and is a clear indication that the Medicare home health cutbacks have been far too deep.

Moreover, the financial problems home health agencies have been experiencing have been exacerbated by a host of ill-conceived regulatory requirements imposed by the Clinton administration. As a consequence of these burdensome and costly regulations, as well as the reductions in reimbursements, approximately 3,300 home health agencies have either closed their doors or stopped serving Medicare patients.

Moreover, the Health Care Financing Administration estimates that 900,000 fewer home health patients received services in 1999 than in 1997. That is 900,000 frail, elderly, ill individuals who have lost their access to home health services.

This startling statistic points to the central and most critical issue: Cuts of this magnitude simply cannot be sustained without ultimately harming patient care.

The impact of these cutbacks has been particularly devastating in my home State of Maine. The number of Medicare home health patients in Maine dropped by 23 percent in just 2 years' time. That translates into more than 11,000 home health patients no longer receiving services. There was also a 40-percent drop in the number of home health visits in Maine and a 31-percent cut in Medicare payments to home health agencies in the State.

Keep in mind, Maine's home health agencies were already very prudent in their use of resources. They were low-cost agencies in the beginning. They simply had no cushion to absorb this cut. Indeed, these cutbacks cut to the bone and are harming care in the State of Maine.

Last year I had the opportunity to meet and visit with a number of home health patients and nurses throughout my State. I heard heartbreaking stories about the impact of Medicare cutbacks and how regulatory restrictions have affected both the quality and the availability of home health care services, jeopardizing the health and well-being of numerous senior citizens. For example, a nurse told me of the tragic story of one of her patients, an elderly Maine woman who suffered from advanced Alzheimer's disease, pneumonia, and hypertension, among other illnesses. This patient was bedbound, verbally nonresponsive, and had a series of other troubling health problems, including infections and weight loss. This woman had been receiving home health services for approximately 2 years. During that time, due to the care of the skilled and compassionate home health nurse, her condition had stabilized.

Unfortunately, the care provided to this patient had to end when the home health agency received a Federal notice indicating that this poor woman no longer qualified for home health care.

Mr. President, less than 3 months later this woman died as a result of a wound from an untreated infection in

her foot. One cannot help but speculate that this tragedy might well have been prevented had this woman continued to receive home health care.

This is only one of the heart-wrenching stories that I have heard from both patients and dedicated home health nurses throughout the State of Maine. I am, therefore, extremely concerned that there is yet another cut in home health care looming on the horizon, that an additional automatic 15-percent cut is scheduled to go into effect on October 1 of next year. This cut would sound the death knell for many of our already struggling home health agencies, and it would further jeopardize access to critical home health services for millions of our Nation's seniors.

Since we have already surpassed the savings target set by the Balanced Budget Act of 1997, further cuts simply are not necessary.

Mr. President, the fact that Congress has delayed the automatic 15-percent cutback for 3 straight years demonstrates that the cut is not justified, it is not warranted. To simply keep delaying this cut 1 year at a time, year after year, is to leave a ''sword of Damocles'' hanging over the heads of these home health agencies. It makes it impossible for them to plan how they are going to serve their patients. It causes them to turn down patients who are complicated and costly to serve because they can't count on the reimbursement. This further cut is not needed, and it should be eliminated altogether once and for all.

Mr. President, the amendment we are introducing today will enable us to eliminate this cut once and for all. It will provide a needed measure of relief and certainty for cost-effective home health care providers across this country that are experiencing serious financial difficulties that are inhibiting their ability to deliver much needed care, particularly to those chronically ill elderly with complex care needs.

I urge all of my colleagues to support my amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I rise to commend my colleague from Maine for her comments. I could not agree more about the importance of home health care for families all across America. We all know there are more and more people who desire to live at home, and they can because of modern medicine. There are more and more of us as baby boomers, and others, who have parents or grandparents we wish to help care for in our own homes or in their homes. Home health care is a critical part of the network of health care for our citizens.

I could not agree more that we need to make sure the next cut—this 15-percent cut that has been delayed three times by the Congress—does not actually take effect in October of 2002.

My problem with the amendment spoken to is it does not guarantee that cut will not take place. In fact, the amendment I am offering would guarantee—no ifs, ands, or buts about it—that this cut would not take effect. When I look at my colleague's amendment, first of all, it says if there is a repeal of the 15-percent reduction, the House and Senate Budget Committees ''may'' increase the allocation of new budget authority—not that they ''shall'' or that they ''have to'' but they ''may.'' I believe we have to say that they ''must.''

Secondly, unfortunately, the way this is put together, it creates a shell game once again. While appearing to protect the Medicare trust fund and saying that these dollars do not come out of the Medicare trust fund, they, in fact, set up a scenario that does, in fact, guarantee, I believe, that the $13.7 billion will not be available because with all of the things being talked about, with all of the on-budget surplus being used for the tax cut being talked about, with the efforts going on here, and what will be happening with all the other priorities, it will be impossible to keep this commitment; in fact, we will see that cut happen—at least there is no guarantee under this amendment that that horrendous 15-percent cut will not happen.

Mr. President, the amendment I have offered is for the same amount of dollars, $13.7 billion. But instead of having the ifs, ands, maybes, and the mays, what we say is that these dollars are taken off of the top—a small amount of money—of the tax cut and shall be guaranteed and put aside for home health care to guarantee that this 15-percent cut will not take place.

This is a very small amount of dollars. I know people in my State—the people who want us to put forward a balanced approach, who support a tax cut and also want to make sure we are continuing to pay down the debt—also are very concerned about putting aside a small amount of dollars to make sure that our seniors can live at home in dignity; that families can care for loved ones and have the opportunity to have valuable home health care services available to them.

As my colleague from Maine indicated, when the Balanced Budget Act was put into place, it was anticipated that the Medicare home health cuts would be $16 billion, and we find just a few years later that it is estimated to be four times that amount. We did not realize that when the BBA was passed. I argue that it was a case of unintended consequences, and that we have recognized that by delaying the 15-percent cut three different times, because we know they are excessive, that there is something wrong when there has been a 24-percent drop in the number of patients served by home health agencies.

When we see a 30-percent reduction in the number of agencies serving Medicare patients nationwide—30 percent—we are talking about almost a third of a cut in those serving Medicare patients in home health care across this country, while the demand is going up. The citizens of our country are getting older and living longer, and we all celebrate that we are living longer. Unfortunately, with that comes a greater and greater demand with home health care services.

So I agree with my colleague that, in fact, we need to be serious about this. We can all talk about men and women and children and folks of all parts of this country who have been and are today in situations where they are in desperate need of home health care. We can also talk about how it saves dollars—that through home health care we are saving dollars in nursing homes and other institutional care. It means dollars and cents, and it makes sense from a quality of life standpoint.

I strongly agree that we need to protect these dollars and guarantee that this cut does not take effect. Again, my concern is that the amendment of my friend from Maine, unfortunately, does not guarantee that this cut will not take effect. We can do that. We can, in this process, say that we are going to, regardless of the other priorities, regardless of what else is passed, put aside this small amount of dollars to protect the home health agencies and the people they serve all across this country. That is what this is about.

I urge my colleagues to reject the Collins amendment and to support the Stabenow amendment, which is a guarantee that, in fact, we will be able to protect home health services for our citizens. I can't think of an issue that touches so many homes and families more than this one—families who are hoping that they have the opportunity and the resources to care for loved ones at home or for people who wish to live in dignity in their own home.

Again, I commend my colleague on the other side of the aisle for her comments about the importance of home health care. I could not agree more. I believe very strongly that we need to take as firm a position as we can, and the amendment that I offer does.

The amendment I offered is an absolute guarantee that our home health agencies and the people they serve will not lose additional dollars and that those services will be protected.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator yield me 2 minutes?

Ms. COLLINS. I yield as much time as the Senator wants.

Mr. DOMENICI. Mr. President, first, so there will be no confusion, the distinguished Senator from Maine, Ms.

COLLINS, has an amendment that makes the money available when the committee of jurisdiction reports back that the repeal has been accomplished. It is a real amendment. It is precisely what would have to happen—and the Senator is saying that it should happen—in order to repeal that statute about which the Senator is talking.

I do not want anybody to think the Senator offered an amendment that does not accomplish her purpose. She has been talking about this problem for a long time.

If the Senator had offered an amendment that was not meaningful, that did not get the job done, we would have already fixed the amendment. We would have looked at it first.

It is a real amendment. It is the real way to do it. I thank the Senator from Maine for her persistence and for the amendment which we will vote on tomorrow.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 22½ minutes remaining.

Ms. COLLINS. Mr. President, I neglected to mention Senator ROBERTS wants to be a cosponsor of the amendment as well. He is on the amendment I sent to the desk. I ask unanimous consent that Senator DOMENICI be added as a cosponsor as well.

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

Ms. COLLINS. Mr. President, Senator DOMENICI has been extremely helpful in drafting this amendment. I am grateful for his help. Senator ROBERTS has also been a real leader in this area.

I must say I am very disappointed to hear the comments of my friend and colleague from Michigan, Senator STABENOW. There is no one who has worked harder than I on home health care during the last few years. It was the legislation I introduced that was incorporated into the Medicare Refinement Act that we passed that restored some of the cuts to home health agencies.

I have been honored to work with the trade associations representing our Nation's home health agencies and have been very humbled and privileged to receive their awards as legislator of the year.

For my colleague to suggest that I am offering a sham or phony amendment and to somehow question my sincerity in trying to restore home health care is really most unfortunate and most disappointing.

This is, as the distinguished chairman of the Budget Committee said, a very real amendment. In fact, a reserve account is the fairest way to address this problem. We are still going to have to pass legislation, whether it is the amendment of the Senator from Michigan that is adopted or whether my version is adopted, to actually carry out the elimination of the 15-percent reduction. But my reserve fund amendment provides a mechanism to bring us closer to that goal by reserving those funds that we need, that $13.7 billion that is necessary.

As I said, I am very disappointed and think it is very unfortunate to have my efforts misrepresented. I have worked extremely hard on this issue. I have introduced legislation that has bipartisan support, that has more than 30 cosponsors expressing support for home health care.

I have visited elderly people in Maine who are receiving home health care, and I know how absolutely critical it is to them.

On my most recent home health visit, I accompanied a very dedicated, professional, and compassionate home health nurse to a town outside of Bangor. This woman was receiving home health care while living with her daughter. She had lung cancer. But home health care allowed her to spend her final months of her life in her daughter's home—not in a nursing home, not in a hospital, but surrounded by her loving family.

I do not want anything to jeopardize the ability of such a woman and so many other Maine citizens and citizens across this country to receive the home health care services they need.

I visited another couple in my hometown of Caribou. They were both in their mid-eighties. One was in a wheelchair. Each of them had very serious health problems. Home health care allowed this elderly couple to stay together in their own home where they had lived for more than 60 years rather than be separated and having one sent to a nursing home.

That is how important home health care is, and there is no one who is more committed than I to making sure we undo the damage that was inadvertently done by the Balanced Budget Act of 1997 and the very burdensome and onerous regulations imposed by the Clinton administration.

I urge my colleagues to support the amendment that I and many others have offered so that we can bring ourselves a step closer to making sure we eliminate once and for all this 15-percent ill-advised cut in Medicare home health care reimbursements.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. REID. Will the Senator from Michigan yield?

Ms. STABENOW. I will be happy to yield.

Mr. REID. The Senator from Maine wishes to offer a unanimous consent request.

Ms. COLLINS. I am sorry; I could not hear the Senator.

Mr. REID. It is my understanding the Senator wants to offer a unanimous consent request.

Ms. COLLINS. I believe the Senator from Nevada knew that before I did.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. I appreciate the Senator yielding.

Mr. President, I ask unanimous consent that the only first-degree amendments in order on Friday be those amendments submitted at the desk by 2 p.m. on Thursday, with the exception of an amendment to be offered by the minority leader and an amendment to be offered by the majority leader.

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

Mr. REID. Mr. President, I appreciate the courtesy of the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I in no way intended to express doubt about my colleague's sincerity on this issue. I, in fact, indicated in my comments that I appreciated her commitment and understand this is an issue with which she has been very involved and it certainly is an issue she cares deeply about and an amendment, I am sure, that is intended for all purposes to move in the right direction. I commend her for that.

I shared those same experiences when I was in the House of Representatives working with the home health groups and having the opportunity to be very involved as a House Member.

I very much appreciate the work of the Senator from Maine.

What I question is simply the language in the amendment and the mechanism being used. The practical reality is that if we adopt an amendment that indicates the dollars will be put aside but cannot be used if, in fact, the Medicare trust fund is dipped into, that is an impossible situation because the vast majority of the contingency fund is, in fact, the Medicare trust fund.

When we look at what the President has proposed to spend from the contingency fund, which is the Medicare trust fund predominantly, my fear is that we will find a situation where the Senator's well-intended amendment, if adopted, might be in a situation where it could not take effect without dipping into the Medicare trust fund.

This bars dipping into the Medicare trust fund, which I support. But by using this mechanism, it, in fact, may not provide the protection she desires.

My amendment simply takes the same amount of dollars, but by taking it off the top rather than through some language about the contingency fund and not using the Medicare trust fund, by simply taking it off the top, we guarantee that money can be put aside. We can call it a reserve fund. That makes a lot of sense.

Let us work together and call it a reserve fund and put it aside but not make it contingent upon all of the

other decisions that will be made by the Budget Committee, the Finance Committee, and others, in ways in which this contingency fund will be structured. That is my concern.

I appreciate the fact there is a desire to keep intact the President's tax proposal. I appreciate that. I have a different view in terms of priorities, wanting to see the tax cut as part of the priorities and paying down the debt, and making sure we can carve out a small amount of the total for home health care. I would like to see it written in stone so it is not dependent upon other conditions.

The amendment says it would be subject to certain conditions, when taken together with all other previously enacted legislation. In total, if the amount involved would reduce the on-budget surplus below the level of the Medicare hospital insurance trust fund, then it would not happen.

The bottom line is, we see this Senate moving in the direction of ''combining'' when all is said and done because of the desire to move the Medicare trust fund into spending, which is the direction the Senate has been moving. The President has asked to move the Medicare trust fund into spending and because all kinds of things have been promised out of that Medicare trust fund and out of the contingency fund, unfortunately, this language does not guarantee we can protect home health care agencies from the 15-percent cut.

I will gladly work with my colleague to find a way to make sure we can guarantee this 15-percent cut will not take effect. I couldn't agree more. We see a 24-percent drop in the number of patients served by home health agencies. We are talking about real people, real people's lives, families who are struggling, people who need care. I couldn't agree more that we need to make a strong statement in support of those who use and need to use home health care services. My concern is, as with other amendments that relate to the whole question of the contingency fund, there is no guarantee that, in fact, this will be able to happen.

I welcome my colleague joining with me to make sure we put aside $13.7 billion and that we can work together to make sure that is truly available, regardless of what other decisions are made regarding the budget.

As I indicated, in this amendment, unfortunately, it is ''subject to the condition that such legislation will not, when taken together with all other previously enacted legislation'' dip into the Medicare trust fund.

I argue strongly that given that exception, in fact, the goal would not be met. I urge my colleagues to join with me in truly protecting home health care. I welcome the opportunity to work with my colleague to do that. I know we both share a strong commitment on this issue. I want to make sure, as I am sure she does, I want to make sure this language is the kind of language that will guarantee at the end of the day that this 15-percent cut does not take effect, no ifs, ands, or buts about it, that it does not take effect and our families will have the opportunity to use needed home health care services.

Ms. COLLINS. Mr. President, let's get this straight. Whether the amendment of the Senator from Michigan passes or whether my amendment passes, the Senate Finance Committee is still going to have to report legislation repealing the 15-percent cut. There is no absolute guarantee under either version.

The fact is, under the Collins amendment there is far more likelihood that we will see repeal of the 15-percent cut because I specifically set aside the $13.7 billion in a reserve fund that can only be used to restore the 15-percent cut to eliminate the cut.

By contrast, the amendment of my friend and colleague from Michigan just increases funding in the Medicare account, with no guarantee that the money goes for home health care. Instead, she takes money out of the tax cut.

The approach I have sets aside the $13.7 billion specifically for the purpose of eliminating the 15-percent cut. There is far more of a ''guarantee'' that we will repeal the 15-percent cut under the Collins amendment than under the amendment offered by the Senator from Michigan.

I think it is unfortunate the Senator from Michigan has not joined on to the Collins amendment. I am very pleased to say, and appreciative of the fact, she is a cosponsor of the legislation that I have introduced, which more than 30 Members have cosponsored, to eliminate the 15-percent cut. If we are talking about what version of the amendment is more likely to bring about the goal that we both share, it is clearly the version I have offered which says that the money can only be used for home health care and for eliminating the 15-percent cut.

I also find it ironic that the amendment is being criticized now for exempting and providing a mechanism of safeguard for the Medicare HI trust fund. That has been an issue that has been repeatedly raised by Members of the minority party, by Members of the Democratic Party, as a concern about these amendments. In an attempt to respond to that concern, I make sure we shield the Medicare trust fund so it could not be tapped for this purpose and that this would be new money. To now hear criticisms of the amendment because we put in those safeguards strikes me as puzzling, to say the least.

Again, my goal is to make sure every elderly American who needs home health care, who wants to receive services in the privacy, security, and comfort of their own homes is able to do so. Home health care has become so important and we must ensure that our frail, vulnerable elderly receive the services they need.

I yield the floor but reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I make it clear I agree with protecting the Medicare trust fund. That is very laudable. I wish we were totally protecting it from any areas of spending. My concern is simply that when we protect it, as this amendment does, it makes it impossible to find the $13.7 billion when you look at the conditions put in this amendment.

It is excellent to protect the Medicare trust fund, but the reality is the contingency fund that has been put forward by the President in this resolution uses the entire Medicare trust fund to fund it. It is really a Catch-22. That is my concern.

I certainly am hopeful we will be able to truly put aside the dollars and make sure that, regardless of what else happens in the process, we have dollars put aside to protect home health care.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. The Senator from Michigan has indicated she is willing to yield back time. I don't know if there is anyone who wishes to speak on the other side.

Mr. BOND. Mr. President, I rise to join with my colleague from Maine, Senator COLLINS, to offer an amendment on Medicare home health care. This amendment will give us the ability later this year to pass the Home Health Payment Fairness Act, a bill I have sponsored with the Senator from Maine and 31 other Senators, that tries to ensure that seniors and disabled Americans have appropriate access to high-quality home health care.

Home health care is a crucial part of Medicare through which seniors can get basic nursing and therapy care in their home. It is convenient. It is cost-effective. But more importantly, home health is the key to fulfilling a virtually universal desire among seniors and those with disabilities, to remain independent and within the comfort of their own homes despite their health problems.

Yet we have a crisis in home health, too many seniors who could and should be receiving home health are not getting it. This is tragic.

We all know the basic history, Congress made cuts in the Balanced Budget Act, the Health Care Financing Administration went too far in implementation, providers struggled or disappeared, and now patients are having a harder time getting care. This has

been true for hospitals, for nursing homes, and for home health.

But there are two things that distinguish the home health crisis from all of the other Balanced Budget Act problems. First and most importantly, no other group of Medicare patients and providers, absolutely none, has suffered as much. The numbers don't lie: In 1999, two years after the Balanced Budget Act, almost 900,000 fewer seniors and disabled Americans were receiving home health care than previously. More than 3,300 of the Nation's 10,000 home health agencies have either gone out-of-business, or have stopped serving Medicare patients.

Medicare home health spending has actually gone down for three straight years, dropping by 46 percent from 1997 and 2000.

In my home state of Missouri, 27,000 fewer patients are receiving home care than before, a drop of 30 percent. And almost 140 home health care providers, almost half, have disappeared since the Balanced Budget Act.

The second thing that is unique about home health, the biggest cuts may be yet to come.

While other Medicare providers will still face some additional Balanced Budget Act cuts, nobody faces anything like the 15-percent across-the-board home cuts that are now scheduled for October of 2002. That's a 15-percent cut on top of everything else that has happened thus far.

I do not believe this should happen, and I actually don't know of anybody who believes the 15-percent health cuts should take effect. That's why Congress has already delayed the 25-percent cuts three separate times.

Our amendment would give us the room in the budget to fix this once and for all, no more mere delays, no more half-measures. This amendment will allow us to pass legislation later this year to permanently eliminate these 15-percent cuts.

Home health care has been through enough. Our Nation's dedicated home health providers deserve to be left alone and given a break so they can focus on patient care rather than survival. The last thing they need is more cuts. And that is all our bill tries to do, we try to spare home care patients and agencies additional cuts that threaten to make a bad situation worse. The seniors and disabled Americans who rely on home health for the health care, and for their independence, deserve no less.

Ms. COLLINS. Mr. President, I have a unanimous consent request. Senator BURNS would like to be added as a cosponsor of the amendment. I ask unanimous consent that he be so added.

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

Ms. COLLINS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes.

Ms. COLLINS. I would like at this time to reserve my time, but if other Senators wish to speak I have no objection.

Mr. REID. If the Senator will yield, we have reserved 5 minutes for the Senator in the morning and 5 minutes for Senator STABENOW. Senator GRASSLEY wishes to speak as in morning business.

Unless the Senator has some urge to speak tonight on this subject, my point is, if she has nothing more to say, we will yield back all time and allow Senator GRASSLEY to speak as in morning business. He wants to speak for an extended time.

Ms. COLLINS. Mr. President, is all the time yielded back on the amendment on the other side?

The PRESIDING OFFICER. Yes.

Ms. COLLINS. Mr. President, I would just like to make certain there are no Members on our side——

Mr. REID. I have checked with staff and they indicated they know of no one.

Ms. COLLINS. In view of those assurances, even though this is one of my favorite topics and I would like to continue to talk about it, as a courtesy to my colleagues, I will yield the remainder of my time.

AMENDMENT NO. 174

Mr. MCCAIN. Mr. President, to move the budget process forward, I voted to support the Grassley amendment today to raise the levels of spending for agriculture programs in the budget resolution. Despite my favorable vote, I wish to express my deep concerns about the form and level of spending included in this amendment.

The Grassley amendment will add an additional $63 billion in mandatory spending to agricultural programs over ten years, which is assumed to be paid from projected budget surpluses. This is above the amount proposed by my Republican colleagues on the budget committee. By designating the extra $63 billion as mandatory spending, much of this funding will be targeted toward farm subsidy programs.

The needs of American family farmers are not being ignored. Congress is in the process of drafting a new Farm bill to reauthorize USDA programs, which many would view as the appropriate vehicle to tackle necessary reform and address farm crises. In the past few years, Congress has approved more than $20 billion in emergency farm aid for crop losses and disaster assistance. The agriculture appropriations bill for fiscal year 2001 was padded with $300 million in porkbarrel spending for towns, universities, research institutes and a myriad of other entities. This is already an exorbitant commitment by the American taxpayer.

I believe it is fundamentally wrong that we are asking taxpayers to pay billions more, above already inflated levels of spending for farm programs and subsidies, particularly when the federal government is not meeting its current obligations for other designated mandatory spending programs such as education. For example, this budget resolution does not account for the federal government's responsibility to pay 40 percent of the Individuals with Disabilities Education Act, IDEA, for special education. I believe many of my colleagues would agree that we should prioritize mandatory spending for existing responsibilities not being fulfilled without requiring the taxpayers to spend an additional $63 billion for farm programs that have already been more than compensated.

After consultation with the leadership on this particular amendment, my colleagues stated that if Senator GRASSLEY's amendment failed, many would be in the position of having to vote for the Johnson amendment, which would have raised mandatory spending on agriculture programs by $97 billion, as the only available alternative. Therefore, while I believe this to be irresponsible fiscal policy, I ultimately decided to vote in favor of the Grassley amendment to move the process forward on the budget resolution and to avoid even greater wasteful spending. I remind my colleagues, however, that we still have an important obligation to American taxpayers to ensure that any spending we approve through the annual appropriations process pursuant to this budget resolution is fair, fiscally responsible, and targeted at those truly in need.

JUDICIARY COMMITTEE VIEWS

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD the Judiciary Committee's views and estimates letter from Senator HATCH.

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

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, March 21, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Hon. KENT CONRAD,
Ranking Democrat, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE AND KENT: Thank you for your recent letter requesting my views pursuant to Section 301(d) of the Congressional Budget Act. As you know, the Committee on the Judiciary has jurisdiction over Department of Justice programs, as well as matters relating to the U.S. Patent and Trademark Office. After consultation with members of the Committee, I have prepared the following comments regarding the budget of the Department of Justice and the Patent and Trademark Office.

As I noted last year, the fiscal discipline exhibited by Congress in the past several years, culminating with the historic 1997 balanced budget agreement, has helped maintain and ensure a robust economy not just for now, but for the next generation as well. Maintaining a balanced federal budget will, of course, require us to make tough choices

about spending priorities. Such changes must be executed in a fashion to ensure that each dollar is spent in a productive fashion. No department should be exempt from careful scrutiny.

Exercising fiscal responsibility, however, does not absolve us of our responsibility to carry out the core functions of government. As I am certain you agree, the administration of justice, including the protection of the public from crime and terrorism, are core functions of government. Indeed, as we begin the new millennium, these threats are becoming more sophisticated and dangerous, making vigilance more important than before. I look forward to working with you to develop a budget resolution that reflects the importance of this category of spending.

With these thoughts in mind, I am pleased to provide you with the views and estimates of the Committee on the Judiciary for the FY 2002 budget.

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

State and local law enforcement assistance programs, funded largely through the Office of Justice Programs (OJP), are a major component of the Department of Justice Budget. These federal grants to state and local law enforcement allow the federal government to contribute directly to the fight against crime without involving the Department of Justice in prosecuting crimes that are not federal in nature. As you know, most violent crimes, such as murder, rape, and assault, are state crimes, not federal crimes. By providing these grants, the federal government can help to reduce crime in a manner consistent with our constitutional system of government.

Local Law Enforcement Block Grants: The Local Law Enforcement Block Grant program (LLEBG) provides assistance on a formula basis to local law enforcement agencies. The LLEBG has made it possible for local police and sheriffs departments to acquire efficiency-enhancing technology and equipment. The LLEBG was funded at approximately $500 million in FY 2000 and FY 2001. I urge continued funding of this valuable grant program at a level consistent with the two previous fiscal years.

Byrne Grants: The Edward Byrne Memorial State and Local Law Enforcement Assistance Grant program is a successful and popular program which provides needed assistance to state and local law enforcement for a wide variety of purposes, such as purchasing capital equipment. Like the LLEBG, this program provides needed assistance to state and local law enforcement without entangling the federal government in the prosecution of crimes that are not federal in nature. I urge continued funding of this valuable grant program at a level consistent with the two previous fiscal years.

Juvenile Accountability Block Grants: This program provides valuable grants to states for a variety of law enforcement purposes targeting juvenile crime, including graduated sanctions, drug testing, and juvenile detention and incarceration.

Juvenile crime continues to be among the greatest criminal justice challenges in America. Juveniles account for nearly one-fifth of all criminal arrests. Even with the recent reductions in juvenile crime, there is a potential for significant increases in juvenile crime as the children of the baby boom generation mature into the prime age for criminal activity.

In the last several years, the Juvenile Accountability Block Grants received approximately $250 million per year. This is the only federal money dedicated to juvenile law enforcement and accountability programs. By contrast, the federal government spends billions of dollars in prevention funds for at-risk youth. There should be a balanced approach to juvenile crime with resources dedicated to prevention and accountability. Therefore, I urge continued funding for this program at a level consistent with the two previous fiscal years.

State Criminal Alien Incarceration Grants: The State Criminal Alien Assistance Program (SCAAP) reimburses states and local governments for the costs incurred in incarcerating illegal aliens who commit crimes in this country. Immigration is the responsibility of the federal government. The SCAAP reimbursements fulfill the federal responsibility to at least partially indemnify states for the costs of illegal immigration. These grants should be funded at an adequate level. Last year, the SCAAP grants received approximately $600 million. I urge continued funding for this program at an adequate level which is consistent with the two previous fiscal years.

DNA Analysis Backlog Elimination Grants: DNA samples must be analyzed by accredited laboratories before the samples can be placed in CODIS, the national DNA evidence database. Unfortunately, there is an approximate two-year nationwide backlog of 700,000 unanalyzed convicted offender DNA samples and unanalyzed DNA evidence from unsolved crimes. Authorities estimate that at least 600 felonies will be solved by eliminating the backlog of convicted offender DNA samples alone. Consequently, I urge funding of the recently enacted DNA Analysis Backlog Elimination Grants to help States analyze DNA samples and evidence and expedite their inclusion in CODIS.

In addition, state laboratories desperately need funding for buildings, equipment, and training of personnel in order to eliminate the backlog and to process crime scene evidence in a timely manner. Therefore, I urge adequate funding for the recently enacted Paul Coverdell National Forensic Sciences Improvement Act.

Criminal Technology Grants: Crime technology is critical to effective law enforcement. Millions of dollars have been invested in national systems, such as the Integrated Automated Fingerprint Identification System and the National Criminal Information Center 2000, which require state participation in order to be effective.

Additionally, state and local governments are at a crucial juncture in the development and integration of their criminal justice technology. The Crime Identification Technology Act (CITA) provides for system integration, permitting all components of criminal justice to share information and communicate more effectively on a real-time basis. There is also a tremendous need to integrate the patchwork of federal programs that fund only specific areas of anti-crime technology. Therefore, I recommend funding for CITA at a level consistent with the previous two fiscal years.

DRUG ABUSE

Combating drug trafficking remains one of the Judiciary Committee's top priorities. As you know, drug use among teenagers rose sharply throughout much of the last administration. However, in the past few years, because of the attention paid to the issue by Congress, drug use among teens has leveled off. Still, the rate of teenage use remains far too high.

Drug abuse in not confined to American teenagers. Far too many Americans still abuse illegal drugs, and the problem threatens to worsen as drugs such as methamphetamine and ecstasy become increasingly available throughout the country. We know that an effective drug control strategy can dramatically reduce drug use in this country. Such a strategy must embody a balanced approach and must contain both demand and supply reduction elements. This approach, which has the virtue of being nonpartisan, enjoys wide support. It has been endorsed by the law enforcement community, prevention and treatment experts, state and local government organizations, community-based organizations, and prominent political figures from across the ideological spectrum.

As for the supply reduction component of this strategy, the budget should contain sufficient resources to fund vigorous domestic law enforcement activities, including defending our borders, and international interdiction efforts. Such funding includes supply reduction efforts by the Department of Defense, the Coast Guard, and domestic law enforcement agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Customs Service.

While we know that vigorous law enforcement measures are necessary, we must also provide resources for drug prevention and treatment programs. Such community-based programs, as we learned in the 1980's, can significantly reduce drug use in our communities. I recently introduced S. 304, the ''Drug Education, Prevention, and Treatment Act of 2001,'' which sets forth a comprehensive package of prevention and treatment proposals. I am confident that these programs, if adequately funded, will add the necessary demand reduction component to our national drug control strategy. I believe that if we are to win the war on drugs in America, we need a stronger national commitment to demand reduction as a complement to vigorous law enforcement efforts. Only with such a balanced approach can we remove the scourge of drugs from our society. Therefore, I recommend funding for the Drug Education, Prevention, and Treatment Act of 2001 at a level consistent with its authorization.

VIOLENCE AGAINST WOMEN ACT PROGRAMS

Congress has consistently supported funding for the majority of initiatives contained in the 1994 Violence Against Women Act. Last Fall, Congress re-authorized most of the programs contained in the original act for a five-year period with adjusted funding levels. I believe that this legislation will continue programs with a track record of effectiveness. Therefore, I recommend funding for this important Act at a level consistent with the new authorization.

ANTITRUST DIVISION FUNDING

Recognizing the increasingly numerous and complex merger proposals confronting the Department of Justice, as well as the explosive growth of high technology industries, both in the United States and abroad, a reasonable expansion of the Department's Antitrust Division may be appropriate if a sufficient justification could be made. However, given last fiscal year's increase in the Antitrust Division (and the Federal Trade Commission), it appears that both the Division and the Commission are adequately funded absent a justification for a funding increase.

RADIATION EXPOSURE COMPENSATION ACT FUNDING

The Department of Justice informed the Judiciary Committee last year that there is a severe shortfall in the funding for the Radiation Compensation and Exposure Act

(RECA) Trust Fund. As you know, Congress passed the original Act in 1990 as well as subsequent legislation, S. 1515, last year to update the list of compensable illnesses. The Department is currently unable to meet any of the financial obligations for those individuals whose claims have been approved. As a result, hundreds of individuals are receiving ''IOUs'' from the federal government in lieu of their payment. Accordingly, in order to meet the government's obligation to provide financial assistance to these beneficiaries, I am requesting $84 million to pay those claims which have already been approved as well as the projected number of approved claims for fiscal year 2001.

INTELLECTUAL PROPERTY RIGHTS (IPR) CENTER

Last year, the President's budget requested $612,000 and eight positions for a joint Intellectual Property Rights (IPR) Center to be co-led by the FBI and the U.S. Customs Service. I supported the creation of this multi-agency enforcement center in last year's budget, which took a very important first step in creating a mechanism for coordinated enforcement of intellectual property rights in the United States. I supported President Clinton's budget request to fund this center this year as a down-payment, and I will continue to be vigilant in seeking to ensure that adequate funding is continued in the years to come. I hope that we will continue to move forward to ensure effective and efficient IPR enforcement and protection against the theft of American technology and intellectual property.

UNITED STATES PATENT AND TRADEMARK OFFICE

Technology and innovation are the driving forces behind our economy. Last year, the budget request acknowledged that ''[i]n the last 50 years, developments in science and technology have generated at least half of the nation's productivity growth, creating millions of high-skill, high-wage jobs and leading to advances in the economy, national security, the environment, transportation, and medical care.'' Yet while President Clinton's budget purported to promote science and technology through increased taxpayer funding, it penalized private sector investment in innovation by siphoning off roughly one-third of the total inventor-derived user-fees paid to the United States Patent and Trademark Office (USPTO) for technology-related services.

The USPTO is 100 percent supported by user fees paid by patent and trademark applicants and owners. Since 1992, Congress has been withholding a gradually increasing portion of the USPTO's user fees each year. Examples of recent withholdings include $108 million in Fiscal Year 1999 and $116 million in Fiscal Year 2000. Last December, consistent with the President's budget request, legislation was passed that provides the USPTO with a budget of $1,039 million. Of the $1,039 million, $784 million will be derived from Fiscal Year 2001 and $255 million from a carryover from past years and any fees received in excess of $784 million will not be available to the USPTO in Fiscal Year 2001. With a projected revenue of $1,152 million for Fiscal Year 2001, this means an overall USPTO withholding of approximately $368 million for Fiscal Year 2001.

As you know, I have long opposed the diversion of patent fees as a debilitative tax on innovation. In my view, such a tax flies in the face of the Constitution's patent clause and its vision of government as a promoter, rather than an inhibitor, of innovation. I was pleased to work closely with you to sunset the patent surcharge fee in FY 1998, which for several years had been the source of the patent fee revenue subject to diversion and rescission. Last year, I was encouraged that the President's budget for the first time did not include fee diversion or recission as a means of funding unrelated spending.

Statutory withholding of fees paid for services undermines the integrity of the USPTO's fee-funded agency model and restricts the USPTO's ability to provide service to its customers and to promote American innovation and competitiveness. Withholdings are being made at a time when the USPTO is experiencing unprecedented growth in its workload. In the last five years, patent and trademark filings have been on the rise. Last year, patent filings were up twelve percent and trademark filings were up a staggering forty percent. Reduced availability of fee revenue will prevent the USPTO from replacing and hiring examiners to handle the increased workload. As a result, waiting times for patents and trademarks could drastically increase in 2001 and years to follow and there could be significant delays in bringing important new technologies and products to the marketplace. Companies in high-technology, biotechnology, and many other vital industries depend on prompt and high quality patents and trademarks to protect business investments in R&D and new product promotion. Moreover, fee diversion will force the USPTO to defer certain imperatives in automation, electronic filing, and other implementation of technology to improve the current ability and efficiency of the USPTO to handle increased workload and increasingly complex technologies.

As I understand it, what makes this practice possible is the fact that, in past years, the Budget Committee has delineated a portion of the USPTO's fee revenue as income subject to the discretionary authority of the Committees on Appropriations—an artifact of the patent fee surcharge created by the Omnibus Budget Reconciliation Act of 1990 (OBRA '90), which expired on September 30, 1998. OBRA '90 segregated a portion of fees that were subject to the appropriation discretion, and the remainder of the USPTO fee income was appropriated to the agency on a dollar-for-dollar basis.

With the lapse of the patent fee surcharge, the Judiciary Committee fashioned a modified fee system in which there was no longer a ''surcharge'' component to patent fees. We set the level of the fees to recover the cost of processing applications and intended that all of the fee revenue would be appropriated to the USPTO on a dollar-for-dollar basis, as was done for the majority of fee income under OBRA '90. We did not intend that there should be any discretion to withhold any portion of the fee revenues.

Accordingly, I recommend that in the upcoming budget all fee revenue of the USPTO be classified in a manner that requires that it be appropriated to the USPTO on a dollar-for-dollar basis. Thus, none of the fee revenues should be considered as discretionary expenditures for the purposes of the appropriations process. I have appreciated working with you on this particular issue in the past. If legislation is necessary to ensure this result, I am pleased to work with you in that regard.

Thank you again for contacting me on this matter and for your consideration of these views. I look forward to working closely with you on this matter and other issues.

Sincerely,

ORRIN G. HATCH,
Chairman.

FEDERAL EMPLOYEE PAY PARITY

Mr. SARBANES. Mr. President, I would like to commend the chairman of the Budget Committee for addressing the issue of Federal employee pay with the senior Senator from Virginia and me today.

The House-passed fiscal year 2002 budget resolution contains important provisions to ensure parity between the pay raises granted to civilian Federal employees and those provided to members of the armed services. Disparate treatment of civilian and military pay goes against longstanding policy of parity for all those who have chosen to serve our Nation—whether that service is with the civilian workforce or in the armed services. In fact, a comparison of military and civilian pay increases by the Congressional Research Service finds that in 17 of these last 20 years military and civilian pay increases have been identical.

Mr. WARNER. In the 106th Congress, an overwhelming majority of the United States Senate agreed, and approved a bipartisan pay parity amendment by a vote of 94 to 6 during consideration of legislation I introduced providing important pay increases for the military—S. 4, the Soldiers', Sailors', Airmen's, and Marines Bill of Rights. I know that Chairman DOMENICI supported that Federal employee pay parity amendment, and has been an advocate for pay parity through his position on the Budget Committee.

Mr. DOMENICI. As the chairman of the Armed Services Committee and the Senator from Maryland know, the Budget Committee has included language assuming parity between the raises granted to Federal employees and members of the armed services in the Committee Report on the Budget Resolution for the past 2 years.

Mr. WARNER. I thank the chairman of the Budget Committee for his strong past support. Would the Chairman explain what provisions regarding Federal employee pay have been included in this budget resolution?

Mr. DOMENICI. In drafting the budget resolution for fiscal year 2002, we have assumed that the historic pay parity between civilian and military employees will be maintained, and that the President's proposed 4.6 percent raise for military personnel will be similarly provided to all Federal workers next year.

Mr. SARBANES. I thank the chairman, and the distinguished Senator from Virginia for their interest and support. I am sure we all agree that a talented Federal and military workforce is crucial to getting the work of the American people done skillfully and efficiently. In many instances, Federal civilian and military employees work side-by-side doing the important work of the Nation, and Congress has recognized that we should not undermine the morale of these dedicated

public servants by failing to bring them in line with military personnel. Continuing pay parity is one way to ensure the Federal Government is able to attract and retain qualified public servants.

ORDER OF PROCEDURE

Mr. REID. I ask unanimous consent the Senator from Iowa be recognized to speak as in morning business, and the time not be charged against either party on the resolution.

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

The amendments are laid aside. The Senator from Iowa is recognized as in morning business.

Mr. GRASSLEY. Did the Senator from Nevada have a closing statement to make?

Mr. REID. I also checked with staff who, as you know, know more about what is going on out here than most of us. I am sorry to admit that. They indicated that would be read upon the completion of your statement.

The PRESIDING OFFICER. The Senator from Iowa.

TAXES

Mr. GRASSLEY. Mr. President, I want to address the issue of tax cuts. It is an issue on which Republicans and Democrats all agree. We may not agree on how much taxes should be cut, but we do agree that the Federal Government is collecting too much tax. The current and projected U.S. tax receipts are far in excess of the amounts needed to operate the Federal Government. The most troubling news is that the bulk of these excess collections come from individual taxpayers. By coming from individual taxpayers, I mean through the individual income tax.

The Congressional Budget Office projects that the Federal Government will accumulate over $3.1 trillion in excess tax collections over the next 10 years. These excess collections are projected at the time when overall Federal tax receipts are at one of the highest levels in the history of the country. You will see from the charts that, even worse, individual income tax collections are near an all-time high, even higher than some levels imposed during World War II.

I have a series of charts to illustrate our present situation. The first chart I have shows total Federal tax receipts as a percentage of gross domestic product for the last 40 years. As you can see from this chart, tax receipts have fluctuated frequently since 1960. But they have escalated very significantly since 1993. The increase in receipts from 1965 to 1969 was attributable to the Vietnam conflict. The runup in receipts from 1976 to 1981 was caused by bracket creep, which occurs when inflation causes wages to increase, forcing people into ever higher rate brackets. We corrected the problem of bracket creep from inflation years ago.

However, the most shocking spike in tax receipts began, as you can see, in 1993. The Congressional Budget Office's January 2001 report to Congress shows that, in 1992, total tax receipts were around 17.2 percent of GDP. However, since that time, Federal receipts have spiked upward very rapidly. By the year 2000, Federal tax receipts had exploded to an astronomical 20.6 percent of GDP. The significance of this percentage can only be appreciated in a historical context.

In 1944, which was at the height of the buildup during World War II, taxes as a percentage of gross domestic product were 20.9 percent, only one-half percent higher than they are this very day. By 1945, those taxes had dropped to 20.4 percent of GDP, which is lower than the collection level this very day.

It is simply unbelievable to me that in times of unprecedented peace and prosperity, the Federal Government should rake in taxes at a level that exceeds the level needed to defend America and the rest of the world during World War II. It simply does not make sense that the Federal Government should be collecting this record amount of taxes.

As bad as what I said sounds, it is not the whole story. That is because Federal agencies are required to exclude a significant piece of Federal collections. I am talking about user fees that taxpayers pay in order to obtain Federal services. These are fees but are still money collected from the people of the United States by the Federal Government.

For example, when someone visits Yosemite or Yellowstone National Park, they pay an entrance fee. Businesses are often required to pay user fees to obtain services of the Federal agencies. The dirty little secret on user fees is that, under our budget laws, they are not included as Federal receipts. Instead, they are treated as an offset to the expenses of the Federal agency collecting those receipts. So you heard me right, they never really show up on the Federal books as money that the Federal Government collects. Under this treatment, user fees, then, are a stealth receipt, one that understates Federal revenues and understates Federal outlays by offsetting the agency's operating expenses. These fees I just mentioned are not insignificant. During the year 2000, they accounted for nearly $212 billion in hidden revenue and expenses. You see on this chart that with user fees, we soon get to an unprecedented tax level of 22.76 percent of gross domestic product.

The most sorry part of this whole story is that this huge increase in taxes has been borne almost exclusively by the individual American taxpayer. As this next chart shows, over the past decade, tax collection levels for payroll taxes, corporate taxes, and all other taxes have been relatively stable.

Just look, every color on that chart—other taxes, corporate taxes, payroll taxes—have been constant over the last decade. But look at the very significant increase in income taxes during that period of time. Corporate taxes during the past 10 years have increased from 1.6 percent of GDP to 2.1 percent. Estate taxes have remained essentially unchanged. Collections of individual income taxes have soared.

As this chart shows, in 1992, tax collections from individual income taxes were 7.7 percent of our gross domestic product. That percentage has risen steadily each year and, as of the year 2000, was an astounding 10.2 percent of gross domestic product. Any wonder, then, why the President and most Members of Congress believe there ought to be a tax cut? That is why the President and most members of his party believe there ought to be a significant tax cut and it ought to be concentrated on reducing income taxes.

Individual income taxes now take up the largest share of gross domestic product in history. Even during World War II, collections from individuals were 9.4 percent of the gross domestic product, nearly a full percentage point below the current level.

So, as you can see, the main source of the current and projected surpluses is from the huge runup in individual tax collections that have occurred since the passage of the biggest tax increase in the history of our country—the 1993 tax Clinton tax increase.

Admittedly, some of this increase is due to our booming economy. A portion of this increase is attributable to real gains in wages, which has forced people into higher tax rate brackets. This real wage growth increase is not compensated for by the usual indexing of income tax brackets.

Since 1992, total personal income has grown an average of 5.6 percent a year. In contrast, however, the Federal income tax collections have grown an average of 9.1 percent a year, outstripping the rate of personal income growth by 64 percent.

That fact alone is outrageous. And it is a simple enough reason why we need to do something about individual income taxes and let American working men and women keep more of their resources.

Again, this started with the biggest tax increase in the history of the country under President Clinton in 1993. The results of these increases are obvious from the charts that we have reviewed. Each chart shows a large increase in taxes from 1993 to the year 2000. The Joint Committee on Taxation, at the request of the Joint Economic Committee, estimated that just repealing the revenue-raising provisions of President Clinton's 1993 tax