

Republicans take 10; we will take 5. No. So Senator HARKIN comes to me and Senator CHAMBLISS. They have it down to less than 40. I said: Take the deal; we will agree to it. We don't even want time agreements on the amendments. How much more reasonable can we be? We can't be. Whatever we come up with, the Republicans would not agree to it because they do not want us to have a farm bill. So why don't they just acknowledge that. They are acknowledging it by their stopping us from having any kind of agreement.

I agree with the Republican leader, once we got on the bill, we could move forward with these amendments quickly. But that is where we are.

According to my friend—and I think these are the words he said—it is offensive to pay for these tax cuts. Let's follow this. It is offensive to pay for the tax cuts? That has been the Republican mantra for 7 years. And where are we? When President Bush took office, there was a \$7 trillion surplus over 10 years. Where are we now? We are approaching a \$10 trillion debt. Everything the Republicans have done with their spending has not been paid for, and their tax cuts have not been paid for.

As with the Clinton administration, we adopted pay-go. That is in our budget. If we have a program that is new, we have to pay for it. That doesn't sound unreasonable. That is what the American people want. If they buy a new car, a new refrigerator, they have to pay for it. There is only so much credit in the world. This Government has exceeded its credit limit. The credit card no longer works.

We also believe the tax cuts, which have given us red ink as far as you can see, created by the Republicans, should come to an end. If there are going to be further tax cuts, we should pay for them. That is the right thing to do. That is all we are saying with the AMT. Pay for these tax cuts. This is a tax cut. It should be paid for. I don't know what is offensive about that.

I would further say we are willing to meet the minority more than halfway—halfway, of course, but more than halfway. We have proven that as we have worked through legislation this year. It has been hard. It has been a slog. I understand how disappointed the Republicans are that we are in the majority. It was a surprise to a lot of people when last November we took the majority of the Senate. We won seats that no one expected us to win. But we are in the majority, no matter how slim. We have had some accomplishments, and we are proud of those. But more importantly, we believe in change. We believe we are agents of change for America. The Republicans are agents of the status quo. The American people will have to judge whom they want to support. Do they want to support those who want to keep things the way they are in Iraq

and every other bad situation we find ourselves in as a country or do they want to move forward with us and work for change? That is where we are.

I think we are on the right side. I hope during these next couple of weeks we can work together and do some good things for the country. We are willing to go more than halfway. Take AMT, for example. Let's go over that again. I have tried everything I can, offering unanimous consent requests which have been objected to. Vote on the House bill. No. Vote on what we have in the Senate. No. Vote on what Senator LOTT wants: just to repeal it and have another trillion dollars of red ink. No. Not willing to do that.

So today I said: OK, let's vote on not even paying for it. How about that? I have heard no clamor from the Republicans, yes, that sounds like a good idea. What more could we do?

The word is that there are people—and how big the number is we don't know, but we know in the Senate it doesn't take a big majority to cause problems—there are many Republican Senators who don't want us to put the patch for AMT so they can go around, as I told Senator MCCONNELL this morning, pointing fingers at each other about whose fault it is that these people in America with \$75,000 to \$500,000 in income are going to get a tax increase. How much more reasonable could we be? Have we gone more than halfway? The answer is obviously yes. We want to legislate. We do not want to block things from happening.

If someone can show me how I am unreasonable with my proposal on AMT, I would be happy to sit down and talk to them. I don't know how I could be more reasonable.

The PRESIDING OFFICER (Mr. MENENDEZ). The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, others have been waiting patiently to speak. Let me say with regard to AMT, this is existing law we are trying to extend. With regard to the extenders, there is existing law we are trying to extend. We should not use that as an excuse to raise taxes on a whole lot of other Americans. That is something that virtually every member of my conference feels strongly about. We are going to continue to talk about it. I am still optimistic we are going to be able to get this worked out. The majority leader and I are good friends, and we are going to continue to work on all these issues in the hope that we can go forward in the few weeks remaining before Christmas.

I yield the floor.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period of morning business for 60 minutes with the time equally divided and con-

trolled between the two leaders or their designees and with Senators permitted to speak for up to 10 minutes each, with the majority controlling the first half and the Republicans controlling the final half.

The Senator from Oregon.

(The remarks of Mr. WYDEN pertaining to the introduction of S. 2411 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

#### UNANIMOUS-CONSENT REQUEST— S. 1662

Mr. WYDEN. Mr. President, with the indulgence of the Senator from Oklahoma, at this time, on behalf of Senator KERRY, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 422, S. 1662; that the amendment at the desk be considered and agreed to; the committee-reported amendment, as amended, be agreed to; the bill, as amended, be read a third time; that the Small Business and Entrepreneurship Committee then be discharged of H.R. 3567, the House companion, and all after the enacting clause be stricken, the text of S. 1662, as amended, be inserted in lieu thereof, the bill be advanced to third reading, passed, and the motion to reconsider be laid upon the table; that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees on the part of the Senate; that S. 1662 be returned to the calendar, with all of the above occurring without intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. COBURN. Mr. President, I object and will take my morning hour time to explain why.

The PRESIDING OFFICER. Objection is heard.

#### CREDIT CARD BILLS

Mr. COBURN. Mr. President, I say to the Senator from Oregon, I look forward to looking at the bill he just introduced. I, too, am very concerned. We had a hearing yesterday in the Homeland Security Oversight Subcommittee on credit card bills. There was some very revealing information. I think the Senator is addressing a problem we need to look at on the Senate floor. I will look at his legislation, and hopefully I will be able to cosponsor it with him.

#### LEGISLATIVE AND APPROPRIATIONS PROCESS

Mr. COBURN. Mr. President, let me, first of all, take a minute to talk about this bill for which unanimous consent

was just requested. I think it is important in light of what the majority leader just said. Here we have a bill for which unanimous consent was requested. The American people need to understand what it means to get unanimous consent. It means all of us agree to it. It does not need to be further amended, it does not need to be changed, and it should be passed without ever having a vote on it.

This bill has a section in it that so far has lost over \$3.5 billion of your money doing venture capital investing by the Small Business Administration. The OMB analysis says there is absolutely no need for this venture capital investment, especially because of the fact it has lost such a great amount of money. And venture capital investing itself is a highly risky business that requires tremendously acute knowledge and people of great acumen in terms of investing, and they lose lots of money investing.

The last thing we ought to be doing at the end of a session is passing a bill without vetting it, without debating it, without talking about the problems that are in the bill. This portion of the bill, the portion that is the Small Business Venture Capital Act, if anything, should come out of this bill. We should not reauthorize something that has lost already in excess of \$3 billion, and something for which we do not get to look at the results until 10 years after it happens.

The last thing we ought to be doing is investing the American people's money in venture capital when we cannot pay for the things we need to be paying for that the American people are dependent on. I look forward to working with Senator KERRY. I have had a good relationship with him. We will sit down and talk about this bill. But I think it highlights what we need to be doing and not spending time in quorum calls but spending time debating bills.

I also want to spend a minute on this issue. I think the American people ought to be asking us about this. Here we sit, and we have one appropriations bill passed for the year that started October 1. I think I am correct. Other than the THUD bill, there has been no objection raised by the minority to proceeding to any of the appropriations bills. As a matter of fact, the choice was made not to bring up the appropriations bills in a timely manner and debate them because of the choice it was not a priority.

I do recall the tremendous criticism we rightly received for what happened last year in the appropriations process. What is going to happen? I am happy to be here for Christmas to do the business we should have already done. But let me lay out what will happen, and then let me also give a warning. At the end of sessions, what happens is we get the request to pass all sorts of legisla-

tion—much like this bill to which I just objected. Committees do good work on legislation. But a bill that has passed committee has to be agreed to by a majority of the Senators to be able to become law.

When we do unanimous consents, that means we are going to let it pass without looking at it, without amending it, and without voting on it. Well, at the end of the year, the time pressure comes. Everybody wants to get something passed. So what happens is we do a poor job of legislating because we do not look at it. We do not amend it. We do not have a debate so the American people can know about it. We just pass it.

I sent a letter to all of my colleagues today outlining and reinforcing four statements I made at the first of this year. I will object to any bill coming forward by unanimous consent at the end of the session unless it meets the requirements I laid out. That means no new authorizations unless you deauthorize something else. We are not going to grow the Government any more when we cannot pay for the Government we have. No. 2, it has to be constitutional. It has to be a true duty of the Federal Government, not an obligation of the State governments that we are going to stand up for, when they have a \$6 billion to \$7 billion surplus. Easily, when you look at any combination of any 10 States, they have an over \$36 billion surplus totally, and we are running, in real numbers—non-Enron accounting but real numbers—a \$250 billion surplus.

I am not going to allow—unless we want to put it on the Senate floor, unless we want to debate it—I am not going to allow us to pass bills at the end of the session by unanimous consent. So if you have a bill that you want to try to pass by unanimous consent, I would suggest we sit down and talk about it now, not 2 weeks from tomorrow but now. If they come in the last week, we will not have the time to look at them. So not agreeing to unanimously consider the bill as passed will be the standard fare.

Now, let's talk about the appropriations process. What we have is \$23 billion more than what we agreed we are going to pass in total for the appropriations bills, not counting the emergency things we have already done that we have charged to our grandchildren. As the game is played in Washington, what will come is the pressure of chicken. We are going to play chicken because we chose not to do the appropriations bills at the appropriate time, and lots of Members have lots of earmarks in bills.

So they do not want us to continue to fund where we are. They want us to have an omnibus bill where we can have all these earmarks, about \$26 billion worth of earmarks, so we can look good at home—not competitively bid,

not based on priorities but based on our political priorities individually as Senators. We are going to spend about \$23 billion more than what we said we are going to spend. That \$23 billion is almost \$300 billion over the next 10 years. And we are fighting about \$80 billion on an AMT fix for 1 year. But we are not concentrating on the fact we are going to institute \$300 billion worth of more spending.

I will remind my colleagues again, we do not have to raise taxes. We can eliminate the AMT. What we do not want to do, and what we fail to do, is get rid of the waste, fraud, abuse, and duplication that numbers in excess of \$250 billion every year—every year—because we will not do the hard work of oversight.

So we are going to line up, and we are going to get a package from the House, and we are going to get a chance to vote on it, and the President has already said he is going to veto it if it has this excess number and all these earmarks in it. I would think this would be better than playing chicken: Why don't we live within our means like every family has to? That \$250 billion comes to 20 percent of everything we spend in the discretionary budget. If you ask homeowners and families who are having a lot of pressure now, would they dare waste 20 percent of their budget, would they dare not look and reconsider how they are spending their money when it comes to their family budget, they would not. Yet we continuously refuse to do the hard work of oversight. We do not want to offend anybody. In the process we are offending the next two generations. My hope is we don't end up here at Christmas, but I was dead serious when I took my oath. I am going to defend the Constitution and I am going to work to make sure bills that are outside of that Constitution don't pass this body. I am going to defend my obligation to the next two generations and the heritage this country was built on—one generation sacrificing for the next—so future opportunity is there. I am going to do everything in my power to not let \$23 billion of extra spending go through this Senate at the end of the year. Now, I may not be successful in that, but at the end of the day, I am going to sleep real well knowing I am fulfilling my oath, knowing that I know what the Constitution says. When we get outside the bounds of the Constitution, in terms of Federal responsibility, what we do is we say in name we are helping somebody and we are charging it to our grandchildren and undermining the very opportunity we all experience.

My hope is we can come together during this season and say: Let's get it right. Let's not spend a bunch of extra money. Let's put it back. We could be facing some pretty severe economic times in this country in terms of how

things look, especially people who were sold homes and mortgages they didn't qualify for and now are struggling. How are we going to address that? How are we going to help them through that? How are we going to accomplish that which empowers people, not Government? We need to be working on those things. We do not need to be spending the extra money now that we may, in fact, need to spend later. We may, in fact, need to borrow money later. So we should be doing the job right the first time, staying within our means, doing what is necessary, even though it offends people who might not get something from the Federal Government through an earmark.

I believe the people of the Senate are great people. I believe, ultimately, they want what is great for this country. I know all of those who have children and grandchildren wish and hope for the very best for their lives and to experience the kind of opportunities we have had. But I wish to tell my colleagues it is at risk. It is not a small risk, it is a great risk. Mr. President, 2012 is coming fast; 2012, that day when the baby boomers are taking both Social Security and Medicare, when we start down this road of \$79 trillion worth of unfunded mandates. How can we be trusted to fix those problems when we can't even live within our own budget?

I said before, about a year and a half ago on this floor, that there is a rumble in America and it is real. The American people are sick and tired of the partisan games we play. They don't want to see Republicans pointing their fingers at Democrats. They don't want to see Democrats pointing their fingers at Republicans. What they want us to do is the job of governing within our means.

Our problem is we have difficulty identifying what is most important: Our political careers or the future of the country. What gets in front of us too often is how do we look good at home rather than how do we look good in the future so we secure the promise America stands for. My hope is we will work together.

One final comment on the farm bill. We need a farm bill, but we don't need a farm bill that continues to have programs that wealthy people who aren't real farmers take advantage of—people who aren't farmers, yet suck the money out of the farm program. Twenty percent of our farmers produce 80 percent of our goods, but a large portion of the farm program goes to gentlemen farmers—doctors, lawyers, who happen to own a small acreage and then suck the programs dry for their own benefit for things they could very well afford to pay for. So the farm bill isn't going to go forward until we have an open amendment process.

I agree with the majority leader. We shouldn't have all of these votes that

aren't necessarily related to the farm bill, but we should certainly fix the crop insurance program. We should certainly mandate that if you are getting a government benefit as a farmer, you ought to be a farmer. You shouldn't be an investor who is investing in making money off the hard-earned tax dollars of middle-class America. That is what too much of the farm program is. We shouldn't be setting about saying that if we are going to incentivize to get greater production, and then all of a sudden if somebody is successful at it, then you can't do it anymore. If an incentive is put in place to work, then let's make it work. We haven't done that with ethanol. We haven't said you can only produce so much ethanol. So if an incentive works, we ought to use it. But we ought to make sure the people getting those incentives are real farmers.

Again, I thank the Chair for his indulgence and I yield back the remainder of my time.

Mr. KERRY. Mr. President, today the Senate tried to call up and pass an amended version of S. 1662, the Small Business Venture Capital Act of 2007. There was objection to the bill based on a concern that it reauthorized the SBA's Small Business Investment Company Participating Securities program, a program which the Office of Management and Budget has predicted will have losses of about \$3 billion.

The amendment pending before the full Senate does not reauthorize the SBIC Participating Securities program. That provision was taken out of the bill in October when the committee first circulated the proposed amendment to colleagues and the parties notified their members that the committee would like to pass the bill by unanimous consent.

Equity financing like the SBIC Participating Securities program is important to the continuum of small business financing, and testimony before our committee this summer emphasized the need for a reformed program to fill the void left by the private sector. However, as the report to S. 1662 clarifies, Congress could not find common ground with the administration on reforming the program and so the committee included a token reauthorization amount to signal to the business community that it understood the need for small equity investments and that there was support for the Small Business Investment Company program in general.

The bill reauthorizes through 2010 the Small Business Investment Company Debenture program, and the New Markets Venture Capital program. Venture capital is a critical driver of our economy and job creation. Since the creation of the SBIC program almost 50 years ago, the country has benefited from hundreds of thousands of jobs. Some examples of success stories

include businesses that are now household names—Calaway Golf, Intel, Jenny Craig, Outback Steakhouse, and Federal Express. Through the SBA's New Markets Venture Capital program, which has only been making investments for a couple of years, businesses in areas with the highest national unemployment, such as in the Appalachia region of Kentucky, have gotten access to more than \$48 million in patient investment capital and created hundreds of jobs with sustainable wages and health care benefits. Senator SNOWE and I worked with the SBA in drafting S. 1662, and the committee of jurisdiction adopted it unanimously—by a vote of 19 to 0.

Further, we understand concerns about moving legislation last minute and we try to avoid that. In this case, our committee voted out this bill in June, giving colleagues with concerns more than 5 months to review the legislation. And in anticipation of moving this bill by unanimous consent committee staff reached out to other offices in October. We have tried for 6 weeks to discuss the bill and identify any possible concerns. We gave those offices copies of the bill, the report, the CBO cost estimate, explained what was in the amendment to be hotlined, and provided a copy of the revised CBO cost estimate that reflected striking the section that reauthorized the SBIC participating securities program and the section that triggered direct spending. The bill has a very modest cost, reduces the historic authorization levels, and has the potential to have a very positive impact on the economy, through investment and job creation. We would be happy to work with our colleagues to try and clarify any other misunderstandings and to work through any substantive concerns. I ask unanimous consent that a copy of the amendment be printed in the RECORD.

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

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Small Business Venture Capital Act of 2007".

**SEC. 2. DEFINITIONS.**

In this Act—

(1) the terms "Administration" and "Administrator" mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term "low-income geographic area" has the meaning given that term in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689), as amended by this Act;

(3) the term "New Markets Venture Capital company" has the meaning given that term in section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689); and

(4) the term "New Markets Venture Capital Program" means the program under part B of title III of the Small Business Investment Act of 1958 (15 U.S.C. 689 et seq.).

**SEC. 3. TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Definitions.
- Sec. 3. Table of contents.

**TITLE I—SMALL BUSINESS INVESTMENT COMPANY PROGRAM**

- Sec. 101. Reauthorization.
- Sec. 102. Leverage.
- Sec. 103. Investments in smaller enterprises.
- Sec. 104. Maximum investment in a company.

**TITLE II—NEW MARKETS VENTURE CAPITAL PROGRAM**

- Sec. 201. Diversification of New Markets Venture Capital Program.
- Sec. 202. Establishment of Office of New Markets Venture Capital.
- Sec. 203. Low-income geographic areas.
- Sec. 204. Applications for New Markets Venture Capital Program.
- Sec. 205. Operational assistance grants.
- Sec. 206. Authorization.

**TITLE I—SMALL BUSINESS INVESTMENT COMPANY PROGRAM****SEC. 101. REAUTHORIZATION.**

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by inserting after subsection (e) the following:

“(f) **SMALL BUSINESS VENTURE CAPITAL.**—For the programs authorized under part A of title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.), the Administrator is authorized to make—

- “(1) \$2,000,000,000 in guarantees of debentures for fiscal year 2007;
- “(2) \$2,250,000,000 in guarantees of debentures for fiscal year 2008;
- “(3) \$2,500,000,000 in guarantees of debentures for fiscal year 2009; and
- “(4) \$2,750,000,000 in guarantees of debentures for fiscal year 2010.”

**SEC. 102. LEVERAGE.**

(a) **IN GENERAL.**—Section 303(b)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)(2)) is amended to read as follows:

“(2) **MAXIMUM LEVERAGE.**—

“(A) **IN GENERAL.**—The maximum amount of outstanding leverage made available to any 1 company licensed under section 301(c) may not exceed the lesser of—

- “(i) 300 percent of private capital; or
- “(ii) \$150,000,000.

“(B) **MULTIPLE LICENSES UNDER COMMON CONTROL.**—The maximum amount of outstanding leverage made available to 2 or more companies licensed under section 301(c) that are commonly controlled (as determined by the Administrator) may not exceed \$225,000,000.

“(C) **INVESTMENTS IN WOMEN-OWNED AND MINORITY-OWNED BUSINESSES AND IN LOW-INCOME GEOGRAPHIC AREAS.**—

“(i) **IN GENERAL.**—The maximum amount of outstanding leverage made available to—

- “(I) any 1 company described in clause (ii) may not exceed the lesser of—
- “(aa) 300 percent of private capital; or
- “(bb) \$175,000,000; and

“(II) 2 or more companies described in clause (ii) that are commonly controlled (as determined by the Administrator) may not exceed \$250,000,000.

“(ii) **APPLICABILITY.**—A company described in this clause is a company licensed under section 301(c) that certifies in writing that not less than 50 percent of the dollar amount of investments of that company shall be made in companies that, prior to that investment, are owned by women or minorities (as

determined by the Administrator) or are located in a low-income geographic area (as that term is defined in section 351).

“(D) **EXCEPTION.**—The Administrator may, on a case-by-case basis, impose such additional terms and conditions relating to the maximum amount of outstanding leverage made available as the Administrator determines to be appropriate to minimize the risk of loss to the Administration in the event of a default.”

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—Section 303(b) of the Small Business Investment Act of 1958 (15 U.S.C. 683(b)) is amended by striking paragraph (4).

**SEC. 103. INVESTMENTS IN SMALLER ENTERPRISES.**

Section 303(d) of the Small Business Investment Act of 1958 (15 U.S.C. 683(d)) is amended to read as follows:

“(d) **INVESTMENTS IN SMALLER ENTERPRISES.**—The Administrator shall require each licensee, as a condition of an application for leverage, to certify in writing that not less than 25 percent of the aggregate dollar amount of financings of that licensee shall be provided to smaller enterprises.”

**SEC. 104. MAXIMUM INVESTMENT IN A COMPANY.**

Section 306(a) of the Small Business Investment Act of 1958 (15 U.S.C. 686(a)) is amended by striking “20 per centum” and inserting “30 percent”.

**TITLE II—NEW MARKETS VENTURE CAPITAL PROGRAM****SEC. 201. DIVERSIFICATION OF NEW MARKETS VENTURE CAPITAL PROGRAM.**

(a) **SELECTION OF COMPANIES IN EACH GEOGRAPHIC REGION.**—Section 354 of the Small Business Investment Act of 1958 (15 U.S.C. 689c) is amended by adding at the end the following:

“(f) **GEOGRAPHIC GOAL.**—In selecting companies to participate as New Markets Venture Capital companies in the program established under this part, the Administrator shall have as a goal to select, from among companies submitting applications under subsection (b), at least 1 company from each geographic region of the Administration.”

(b) **PARTICIPATION IN NEW MARKETS VENTURE CAPITAL PROGRAM.**—

(1) **ADMINISTRATION PARTICIPATION REQUIRED.**—Section 353 of the Small Business Investment Act of 1958 (15 U.S.C. 689b) is amended in the matter preceding paragraph (1), by striking “under which the Administrator may” and inserting “under which the Administrator shall”.

(2) **SMALL MANUFACTURER PARTICIPATION.**—Section 353(1) of the Small Business Investment Act of 1958 (15 U.S.C. 689b(1)) is amended by inserting after “section 352” the following: “(with a goal of at least 1 such agreement to be with a company engaged primarily in the development of and investment in small manufacturers, to the extent practicable)”

**SEC. 202. ESTABLISHMENT OF OFFICE OF NEW MARKETS VENTURE CAPITAL.**

Title II of the Small Business Investment Act of 1958 (15 U.S.C. 671) is amended by adding at the end the following:

**“SEC. 202. OFFICE OF NEW MARKETS VENTURE CAPITAL.**

“(a) **ESTABLISHMENT.**—There is established in the Investment Division of the Administration, the Office of New Markets Venture Capital.

“(b) **DIRECTOR.**—The head of the Office of New Markets Venture Capital shall be an individual appointed in the competitive service or excepted service.

“(c) **RESPONSIBILITIES OF DIRECTOR.**—The responsibilities of the head of the Office of New Markets Venture Capital include—

“(1) to administer the New Markets Venture Capital Program under part B of title III;

“(2) to assess, not less frequently than once every 2 years, the nature and scope of the New Markets Venture Capital Program and to advise the Administrator on recommended changes to the program, based on such assessment;

“(3) to work to expand the number of small business concerns participating in the New Markets Venture Capital Program; and

“(4) to encourage investment in small manufacturing.”

**SEC. 203. LOW-INCOME GEOGRAPHIC AREAS.**

(a) **IN GENERAL.**—Section 351 of the Small Business Investment Act of 1958 (15 U.S.C. 689) is amended—

- (1) by striking paragraph (2);
- (2) by redesignating paragraphs (3) through (8) as paragraphs (2) through (7), respectively; and

(3) in paragraph (2), as so redesignated—

(A) in the matter preceding subparagraph (A)—

(i) by striking “the term” and inserting “The term”; and

(ii) by striking “means”;

(B) by striking subparagraph (A) and inserting the following:

“(A) means a ‘low-income community’ within the meaning of section 45D(e) of the Internal Revenue Code of 1986 (relating to the new markets tax credit); and”;

(C) in subparagraph (B), in the matter preceding clause (i), by inserting “includes” before “any area”.

(b) **APPLICATION OF AMENDED DEFINITION TO CAPITAL REQUIREMENT.**—The definition of a low-income geographic area in section 351 of the Small Business Investment Act of 1958, as amended by subsection (a), shall apply to capital raised by a New Markets Venture Capital company before, on, or after the date of enactment of this Act.

**SEC. 204. APPLICATIONS FOR NEW MARKETS VENTURE CAPITAL PROGRAM.**

Not later than 1 year after the date of enactment of this Act, the Administrator shall prescribe standard documents for an application for final approval by a New Markets Venture Capital company under section 354(e) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(e)). The Administrator shall ensure that such documents are designed to substantially reduce the cost burden of the application process on a company making such an application.

**SEC. 205. OPERATIONAL ASSISTANCE GRANTS.**

(a) **IN GENERAL.**—Section 358(a)(4)(A) of the Small Business Investment Act of 1958 (15 U.S.C. 689g(a)(4)(A)) is amended to read as follows:

“(A) **NEW MARKETS VENTURE CAPITAL COMPANIES.**—Notwithstanding section 354(d)(2), the amount of a grant made under this subsection to a New Markets Venture Capital company shall be equal to the lesser of—

- “(i) 10 percent of the private capital raised by the company; or
- “(ii) \$1,000,000.”

(b) **CONFORMING AMENDMENT AND LIMITATION ON TIME FOR FINAL APPROVAL OF COMPANIES.**—Section 354(d) of the Small Business Investment Act of 1958 (15 U.S.C. 689c(d)) is amended to read as follows:

“(d) **REQUIREMENTS TO BE MET FOR FINAL APPROVAL.**—The Administrator shall grant each conditionally approved company 2 years to raise not less than \$5,000,000 of private capital or binding capital commitments from one or more investors (other than agencies or departments of the Federal Government) who met criteria established by the Administrator.”

**SEC. 206. AUTHORIZATION.**

Section 368(a) of the Small Business Investment Act of 1958 (15 U.S.C. 689q(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “fiscal years 2001 through 2006” and inserting “fiscal years 2007 through 2010”; and

(2) in paragraph (2), by striking “\$30,000,000” and inserting “\$20,000,000”.

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

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

**INFLAMED RHETORIC**

Mr. SPECTER. Mr. President, I have sought recognition to comment about a statement made by the majority leader, Senator HARRY REID, yesterday that:

... President Bush, he is the man who is pulling the strings on the 49 puppets he has here in the Senate.

I have had my staff advise his staff that I intended to make some comments about that so he would be notified and could come to the floor if he chose to do so. His office is right adjacent to the floor. He is a minute or 2 away. I believe that is a very inappropriate statement.

I refer to rule XIX of the Senate rules, which provides:

... No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

It is my view that being called a puppet is in direct violation of that rule. I don't think there is much doubt about it. That is a term of derision, of ridicule, of censure, and it is an opprobrious term to make that statement.

I am especially concerned about it because in the immediate past there have been many Senators who have directly disagreed with the President—hardly puppets of President Bush or hardly puppets of anyone. Under our Constitution, the separation of powers makes the Congress separate from the executive branch and from the courts. That separation and that independence is something that Senators prize so very highly. So I don't take it lightly, and I don't think the other 48 of my colleagues take it lightly to be called puppets.

Let's look at the record. Within the past month, on November 8, 35 Republicans voted to override President Bush's veto of the Water Resources and Development Act. The veto was overridden; 35 disagreed with the President. It hardly sounds like there are 35 puppets there to vote to override the President's veto.

On April 11, 18 Republicans joined in support of the Stem Cell Enhancement Act of 2007. That is an issue that this Senator has worked on extensively since 1998, when stem cells first came upon the scene, and I was chairing the Appropriations Subcommittee on Health and Human Services. We have had some 20 hearings. Twice we enacted legislation to authorize the use of Federal funds for embryonic stem cell research. It doesn't sound like the 18 Senators who bucked the President's position are puppets.

On November 13, less than a month ago, 17 Republican Senators voted to support the SCHIP program, which the President was on record as opposing. He didn't like the amount of money that was involved with children's health. On November 7, 10 Republican Senators voted in support of passage of the Labor, Health, Human Services and Education Appropriations bill, despite the President's promised veto. He did veto it.

So here you have 4 situations readily at hand, where 35, 18, 17, and 10 Republican Senators disagreed with the President. It doesn't sound like the Senators are puppets in that context.

Yesterday Senator REID also complained about the necessity to file cloture some 56 times. Well, each time cloture was filed, there is a complex story behind the cloture. On a good many of those occasions, cloture was filed and the so-called tree was filled, which precluded Senators from offering amendments. There was a time when Senators proudly said that any Senator could offer any amendment on any bill at any time. There might be some limitations postcloture on germaneness or on some rules, but a practice has developed in this body to foreclose that. The jargon is the “filling the tree,” and when the tree is filled, nobody can offer an amendment.

Regrettably, that has been done by Republicans as well as Democrats. When it is hard to affix blame around here for the logjam, for our inability to get much done, you can usually divide it 50/50 between the parties. So to say Senator REID has had to file cloture on 56 occasions doesn't tell you very much.

Then the issue he took up yesterday in filing for cloture on the AMT, alternative minimum tax, Senator REID filed for cloture on the House bill, which stands very little chance of passing the Senate because it is fully offset with controversial revenue raisers. Now it is true that Senate Democrats offered to remove the offsets but to keep them in place for the tax extenders. The Republican position has been that it is illogical to use permanent tax increases to offset a temporary extension of current tax policy. So there is a good reason for what is being done here.

There is no doubt the AMT has to have a fix. If it is not done, there will

be some 23 million Americans who will be taxed instead of the 3 million now. So we are all dedicated to that proposition. If you take a look at the RECORD on August 2 of this year, I offered an amendment to the small business tax relief bill to repeal the 1993 AMT rate increase.

On July 20, 2007, I voted in support of a Kyl amendment to the educational reconciliation bill, which fully repealed the AMT.

On March 23 of this year, I voted in support of a Lott amendment to the budget resolution that would have allowed for repeal of the 1993 AMT rate increase.

Again, on the same day, March 23, I voted in support of a Grassley amendment to the budget resolution that would have allowed the full repeal of the AMT.

The same day, I voted in support of the Sessions amendment to the budget resolution that would have allowed families to deduct personal exemptions when calculating their AMT liability.

The RECORD is full of good-faith efforts to solve this problem. But as indicated, as stated, the course which the majority leader has taken is unsatisfactory to people on this side of the aisle. Whether it is satisfactory or unsatisfactory, it is not appropriate to call 49 Republican Senators puppets. We are trying to move through the business of the year—the people's business. We have 2½ weeks. Not a whole lot has been done. We were in on Monday; no votes. In yesterday; one non-controversial vote. We didn't come in until noon today.

I have been around here a substantial period of time and I wonder how we are going to get through all of the unfinished appropriations bills and the many other matters that are pending on the calendar. When the majority leader makes a proposal and asks for Republican assistance, many of us have been willing to listen to what he has to say. But he doesn't improve his case when he starts calling us puppets. I wonder if he is up to the job when he resorts to that kind of a statement, which only furthers the level of rancor and insults and animosity with that kind of an insulting comment.

I would be interested in the majority leader's reply, if he cares to make one. I will be near by the Senate floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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