an immediate investment of $50 billion in our highways, transit systems, railways, and aviation infrastructure. Frankly, I don't know any American in any part of this country who does not get the idea that we have to begin and continue to reinvest in our infrastructure. Every American can point to a bridge that is failing. They can point to congestion on the highways. They can point to projects that are so necessary not only for the long-term activity of the country but for the immediate employment of our citizens.

The rejection of these efforts is based on one simple fact: that we are asking the wealthiest Americans to pay for these initiatives. No longer are we going to put it on the back of future generations as we have with a decade of foreign conflicts and other programs such as the Medicare Part D expansion. We are trying to be fiscally responsible not only to propose ways to put people to work but also to pay for those measures now. That is what my colleagues object to. They seem to be more concerned about that 1 percent that is talked about than the rest of Americans who need work—not just directly, but their communities need the work so they can prosper along with the Nation.

All of this delay has been accompanied by their proposals, but their proposals always seem to rely upon austerity: We will have to cut more and more and more. But I don't think this single-minded focus on austerity is going to lead to the kind of growth we need. In fact, there are many analysts and economists who argue that the austerity measures being suggested are counterproductive to growing the economy; that, in fact, they lead to higher unemployment and lower wages.

For example, a recent IMF study talking about the consequences of pursuing an agenda focused on austerity found that an austerity program that curbs the deficit by 1 percent of GDP reduces real income by about .6 percent and raises unemployment by .5 percent. So the notion that we can simply cut our way to employment growth is not substantiated by fair-minded analysis.

For example, again, Gus Faucher of Moody Analytics examined the most recent proposal offered by my colleagues Senators MCCAIN and PAUL and said that the Republican proposal wouldn't address the causes of the current weakness in the short term and in fact it would be harmful.

The Congressional Budget Office looked at a broad range of policies from both parties and concluded that reducing taxes on business income and repatriation of foreign income are the most ineffective and inefficient tools for growing jobs. These two measures seem to lead the list of the proposals on the other side of the aisle. Also, the idea of providing more tax breaks to corporations and the wealthy to create jobs is not supported by the record. Bush-era tax breaks for the wealthiest resulted in mediocre growth for our economy and declining wages for the middle class over the period of 2001 to 2008, 2009.

Instead of bringing forth or supporting issues that will actually put Americans to work, my colleagues on the other side want to reframe the issue. They want to talk about burdensome regulations, and this argument doesn't stand up, either.

Mr. President, let me conclude by making a point which I think is very important, because this notion of simply striking away all the regulations and we will have this miraculous growth in employment is not substantiated by careful analysis.

Since 2007, the Bureau of Labor Statistics has tracked reasons behind mass layoffs. Among the reasons an employer can cite for layoffs is ''government regulation.'' The data shows that government regulation accounted for a minuscule .2 percent of layoffs. These are the managers and leaders of these companies checking the box as to what is causing them to lay off people. Instead, employers cite a lack of demand as a reason for 39 percent of the layoffs in 2008 to 2010. Indeed, if regulations are driving unemployment, one would expect to see job losses and high unemployment rates in sectors of the economy where regulation has increased, such as the financial services sector. However, in the financial services sector, the unemployment rate is much lower than the national average. In fact, it is at 5.8 percent. Meanwhile, domestic financial firms have posted extraordinary record profits in the first two quarters of 2011. So this notion that eliminating regulations is going to miraculously solve our problems is not substantiated by the evidence we are collecting.

What we need to do is put people back to work. The programs in the American Jobs Act will do that. I hope that will be recognized and accepted so we can move quickly to pass it.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

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

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

CONSUMER PRICE INDEX FOR ELDERLY CONSUMERS ACT

Mr. BROWN of Ohio. Mr. President, first of all, I appreciate Senator REED's comments about the state of this economy and what the supercommittee is doing and the direction we need to go on all of these tax issues and all of these spending issues. He is so right.

We know several things about Social Security. We know it has been around for 75 years. We know if we do things right here in Congress, it will be around for another 75 years. We know it makes a huge difference in the lives of our citizens and our constituents in Oregon, in Ohio, in Rhode Island, and all over this country. We know that more than half of seniors in my State who are on Social Security get more than half of their income from Social Security, and it plays such an important role in their lives. We also know that until recently, there was not a cost-of-living adjustment for seniors. We know that over the last 2 years, even though the President and the majority in the Senate—the Democrats in the Senate and in the House—voted for a $250 one-time payment for seniors to help them deal with the increase in costs of their health care—except for that, we know that Social Security beneficiaries in this country didn't get a cost-of-living adjustment for 2 years.

We also know—and the Presiding Officer, the Senator from Oregon, is working with Senator MIKULSKI from Maryland and me on legislation to fix this. We also know the cost-of-living adjustment is, pure and simple, understated because the cost-of-living adjustment seniors usually get—never quite enough to keep up with their expenses—is based on the cost of living for a working person, for someone in his fifties or forties or in her thirties or twenties.

For someone who is working full time, their cost-of-living increase is different than a senior's cost-of-living increase because if a person is 70 years old, they are much more likely to have higher health care costs than if they are 30 years old.

So, historically in this country, we do a Consumer Price Index-W, ''wages''—CPI-W. It is based on a 30- or 40- or 50-year-old who is working full time, their cost of living. We are not basing it on the cost of living of a senior citizen who consumes, if you will, much higher health care, who has much higher health care costs.

That is what the legislation Senator MERKLEY and Senator MIKULSKI and I are working on: CPI-E, Consumer Price Index for the Elderly, reflecting their real costs. Why should a senior's cost-of-living adjustment be based on a 30-year-old's cost of living instead of a 70-year-old's cost of living? That is clearly why we need the change.

We also know another thing about Social Security. We know some conservative politicians in this institution—mostly Republicans, not quite entirely—we know some conservative politicians in this institution want to change the Consumer Price Index the other way, to make it even smaller.

For 2 years in a row, there was no increase, no COLA, no Consumer Price Index increase, no extra dollars to keep up with burgeoning health care costs for seniors. We know that did not happen for 2 years. There are people in this institution—many of whom have never supported Social Security to begin with all that much, frankly, to be honest—who want to see a smaller cost-of-living adjustment. It is something called chained CPI. I will not go into the details about how it works, but it basically says to seniors: Whatever you are spending money on—if you are buying apples, for instance, then you could buy bananas. My staff says bananas are cheaper. We had an argument about that, whether bananas are cheaper per calorie and per weight and all that. But, nonetheless, they say to seniors, under this chained CPI thing—some conservative think tank, some corporate-funded, insurance company, drug company-funded think tank, I assume, came up with this bizarre idea of CPI chained—they say to seniors: You can pay less for things because you can do substitutions of food—from beef to chicken or from apples to bananas or from something to something—and save money.

Most seniors have already made those substitutions in their buying habits because they are already squeezed because the cost-of-living adjustment has not kept up with their health care costs. That is the whole point. So instead of our moving to reduce the cost-of-living adjustment, going to this chained Consumer Price Index, chained CPI, we should move away from CPI-W, based on wages, to CPI-E, meaning what elderly people's costs are as their health care goes up.

It will mean several hundred dollars in the monthly benefit a senior receives. Let me give those numbers, and then I will wrap up.

For the average person who retired in 1985, that person would get about an $887 increase, if it was the way Senator MERKLEY and Senator MIKULSKI and I want to change Social Security. That CPI, that increase, would then go up a little bit over time, so seniors would, in fact, be able to keep up with their health care costs. That is the importance of this change. That is the importance of our legislation. We cannot go the other way, chained CPI.

The last point I will make is, these conservatives who do not much like Social Security—some of them are Presidential candidates, I might add—they will say: We cannot afford this. The budget deficit is not because of Social Security. It is because of a bunch of other factors. Social Security is not part of this budget deficit. We know how to do minor changes to fix Social Security long term and take care of seniors and their health care needs and their increased costs.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BROWN of Ohio). Without objection, it is so ordered.

Mr. MERKLEY. Mr. President, I am pleased to rise this morning to support the adoption of a consumer price index for Social Security that would accurately reflect the costs our senior citizens actually face.

I am delighted to join the Presiding Officer, Senator BROWN of Ohio, in this effort, along with Senator MIKULSKI of Maryland. Social Security is a promise, a bond between our government and our senior citizens.

Our senior citizens have worked hard their whole life and paid into Social Security every step of the way. They expect Social Security will be there for them when they retire.

Over the past few years, I have heard from many Oregon seniors who are making ends meet on a fixed income. They ask me: Why is it we are not getting a cost-of-living adjustment, a COLA? Because our costs are rising. They have been deeply disturbed to know, with these fixed incomes and these rising costs, they are being squeezed in the middle.

I explain to them in these townhalls it is because the COLA is calculated not on what seniors face in their costs but upon what a broad cross-section of working people face. They tell me: Senator, that is different than the costs we face. We are at a different point in our lives. Health care becomes a huge component. They tell me: I can tell you, Senator, health care costs are not going down.

Some in this Chamber are coming forward with a proposal that would make it even harder for our seniors. It would use a new calculation: not this standard ''cross-section of America COLA'' we are currently using but what is referred to as a chained CPI. That chained CPI says: If the price of this goes up, you can buy that. Actually, what it does is go in the wrong direction in terms of accurately reflecting the costs our seniors face in retirement.

If we take someone who is 65 today and we look down the road, by the time they are 75, this chained CPI would cost them $560 per year—roughly a month's rent. By the time the average 85-year-old has their payment calculated, the chained CPI would cost them $984 per year; the average 95-year-old: $1,392 per year.

At a time when the best off Americans are paying less than ever before, it is simply wrong to shift costs on to our seniors and the most vulnerable in our society.

There is an alternative. It is called the CPI-E. The Consumer Price Index for our seniors or elderly. I prefer to think of it as the CPI-E for ''experienced.'' Our most experienced citizens face different costs than the rest of us. The CPI-E would track inflation specifically based on the basket of goods those aged 62 and older are purchasing.

It is simply a fairer and more accurate way to calculate the benefits for our seniors. If their costs are rising slower than the overall costs for society, it would reflect that. If their costs are rising higher than the overall pace of inflation, then that would be reflected. Either way, it is fair.

We have to ensure we are keeping our promise to our senior citizens in a way that accurately reflects the reality of living in this country. This bill for the CPI-E or Consumer Price Index for the experienced is the best way to achieve that.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 1867, which the clerk will report by title.

The bill clerk read as follows:

A bill (S. 1867) to authorize appropriations for fiscal year 2012 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, the Republican leader is on the floor. He is going to offer an amendment. The one on this side is not ready. There has been an agreement, and I ask unanimous consent that Senator MCCONNELL be allowed to lay down his amendment. When the one on the Democratic side is laid down, which will be momentarily, it will be considered the first amendment in order.

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

The Republican leader.

AMENDMENT NO. 1084

Mr. MCCONNELL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. KIRK, proposes an amendment numbered 1084.

Mr. MCCONNELL. 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: To require the President to impose sanctions on foreign financial institutions that conduct transactions with the Central Bank of Iran)

At the end of subtitle C of title XII, add the following:

SEC. 1243. IMPOSITION OF SANCTIONS ON FOREIGN FINANCIAL INSTITUTIONS THAT CONDUCT TRANSACTIONS WITH THE CENTRAL BANK OF IRAN.

Section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) is amended—