



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 109<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 152

WASHINGTON, MONDAY, MARCH 13, 2006

No. 31

## Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

### PRAYER

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

Let us pray.

Gracious Father, You have set before us many ways of doing Your work in our world. Empower us to creatively use our abilities for Your glory. Open our eyes to see possibilities in seemingly barren places. Use us to open new channels of blessing to those who need it most.

Speak to our Senators and give them a willingness to obey Your voice. Strengthen them to follow Your precepts and to trust You in quietness and confidence.

Renew us so we will mount up on wings like eagles. Help us to run and not be weary, and to walk and not faint.

And Lord, today, we pray for those affected by the Midwest tornadoes.

We pray in Your sovereign Name. Amen.

### PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RESERVATION OF LEADER TIME

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

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

### SCHEDULE

Mr. FRIST. Mr. President, this morning we are starting consideration of the budget resolution which was reported out of the Committee on the Budget on Thursday. The chairman and ranking member are here and we will open the debate this morning.

The Budget Act provides for up to 50 hours of debate. Therefore, I hope Senators will come to the Senate today and use that time for their opening statements.

This week will be quite busy as we consider the budget resolution each day and night as that clock ticks. We will finish the resolution this week, and that will normally require full sessions with votes, which I expect. We would like to minimize the so-called vote-a-rama at the end of the process. I know the two managers have been talking, are talking, and will be working together in an effort to avoid that, if at all possible.

This week we will also complete the extension of the debt limit. The Democratic leader and I are working on an agreement for the consideration of that bill. I hope we can reach a reasonable period for the debate on that must-do legislation. Needless to say, there is a lot of work to be done prior to the adjournment. We will stay in session as necessary to give the managers the best opportunity to complete our business.

This week we will complete action on the budget. And we will complete action on the debt limit. On Wednesday of this week, we will have a joint meeting with the House to hear an address by President Ellen Johnson Sirleaf of Liberia. That address will begin at 2 p.m.; therefore, Senators should gather in the Senate Chamber at 1:30 so we can proceed at 1:40 to the Hall of the House of Representatives.

Lastly, I remind my colleagues we have a rollcall vote scheduled for 5:30 this evening. That vote will be on the confirmation of Leo Gordon to be a

judge for the U.S. Court of International Trade. That will be the first vote of the day.

I suggest the absence of a quorum. The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. I ask unanimous consent the call of the quorum be rescinded.

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

### CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2007

The PRESIDENT pro tempore. Under the previous order, the Senate will proceed to consideration of the budget resolution, which the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Con. Res. 83) setting forth the congressional budget for the United States Government for fiscal year 2007, and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011.

The PRESIDENT pro tempore. Under the previous order, the time until 11:30 a.m. shall be equally divided.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, we are now proceeding to the budget?

The PRESIDENT pro tempore. That is correct. The budget is before the Senate.

Mr. GREGG. I begin by thanking the committee, the committee staff, both the majority and Democratic side, for the assistance in getting us to this point. We had a markup last Thursday which was done very professionally. A lot of issues were raised. A lot of votes were taken. We were able to complete the budget on a timely schedule pursuant to the rules of the Senate.

Now we are in the Senate. As everyone knows, under the rules of the Senate, we have 50 hours on the bill. Then we have what is known as the vote-arama. The Senator from North Dakota and I have been talking. We hope

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



Printed on recycled paper.

S1987

we can coordinate things so that Members will be comfortable getting their amendments up and have adequate time and have certainty as to when their amendments are coming up, and in doing that, hopefully, actually reduce the vote-arama at the end. And cooperation would be helpful.

Right off the bat, I thank the Senator from North Dakota and his staff. They have been extraordinarily cooperative as we moved forward throughout this process.

Let me ask Members, if Members have an amendment, all on our side, tell us about it so we can get you a time slot.

On the substance of the bill, the purpose of a budget, of course, is to be a blueprint for how the Government will spend its money in the coming year. The year for our Government begins on October 1, 2006. We are already into the 2006 year, so this is the budget for 2007. It is important, when we are doing a budget, of course, to be reasonably realistic about what the opportunities are, the demands are, what the needs are for saving money, what the tax structure will be in the country. We have attempted to do that in this budget.

We began, basically, with the President's proposal. He sent up a budget. Ironically, under the rules of the Congress, the President's budget has no actual impact on the substance of the process. In fact, the budget of the Congress is never signed by the President. It is a document entirely within the Congress. Clearly, the President gives his thoughts and his guidelines. He is in charge of the executive branch. We take it seriously.

We have looked at the President's budget and used it as a template for much of what we have done in this budget, although we have departed in a few significant ways. I congratulate the President for sending up a budget that is responsible. He controlled spending on the discretionary side and the non-Defense accounts. He did make proposals in the area of entitlement spending which were significant and which would bring about some restraint in the rate of growth, for example, of the biggest entitlement, which is Medicare and pensions, and even in the agricultural area he made some proposals. His budget is a legitimate and effective document talking about how we should, as a Government, go forward relative to the spending which we are going to undertake in the year 2007.

We have, however, marked up the budget a little differently. Our purpose, honestly, my purpose is to reduce the deficit of the United States. That is critical. We have a situation facing us as a people and as a Nation which is unique in our history in that we have this large generation called the baby boom generation. It is the largest generation in our history, with 70 million people, about twice the size of any other generation.

The baby boom generation is headed toward retirement. As they retire, it will put a huge strain on the operation of the fiscal house of the United States. That retirement begins in earnest in about the year 2008 and accelerates and peaks in the year 2030. At that point, we have serious issues relative to how we control our budget, and we should be focusing on those concerns.

But in the short run, there are things we can do to bring the deficit under control, and we should do this. This budget attempts to do that. In fact, this budget will reduce the deficit of the United States in half over the next 4 years. That is a fairly significant step forward. As a percentage of gross national product, by the year 2010, we will actually be down to about 1 percent of gross national product, which will be well below the historical norm of deficits in this country.

Our deficit in the coming year, however, will be higher, and I will get into that discussion in a few minutes, but let me go back to this entitlement question because it is important as we start the discussion that we frame it in the context of the issues that concern me the most.

We have outstanding at the Federal level, as a result of the coming retirement of the baby boom generation, an obligation of the Federal Government which amounts to \$65 trillion. That is trillion, with a "T." It is hard to understand what a trillion is. I don't know what it is. I have heard all sorts of different explanations. I will try to put it in perspective. If you take all the taxes paid into the Federal Government since our country was founded, since we began to have taxes as a Federal Government in 1789, it represents \$40 trillion. That is all taxes ever paid into the Federal Government. If we take the net worth of everyone in this country—their cars, their houses, their stock, whatever they own that is an asset, and we add it all up—the net worth of the American people is \$51 trillion. That is the second blue chart.

The total outstanding debt, therefore, of three major programs—Medicare, Social Security, and Medicaid—represents \$65 trillion. So it is more than what has been paid in taxes since the beginning of time, as far as this country is concerned, and it is more than the net worth of our Nation. It is a staggering figure. That is a 75-year figure. And it is all driven by the fact that this baby boom generation is so large, and when it retires it will demand so much in the way of services.

What is the issue? The issue is, if we have this type of an outyear liability, we need to do things today to try to structure our house and get it under control. In the last budget cycle, for the first time in 8 years, we stepped forward as Republicans—I think we had two Democratic votes—we stepped forward as Republicans and passed what was known as the reconciliation bill to reduce entitlement spending by \$39 billion over 5 years. Anyone would have

thought we were scorching the earth in passing that bill from the outcry from the other side of the aisle, that all poor people, all people of need were being thrown out the door as a result of that reduction. Well, to try to put it in perspective, it was \$39 billion. Actually, within that, the most significant item was the Medicaid item, which was \$5 billion over 5 years, or in that period of 5 years, the Medicaid system was going to spend \$1.2 trillion.

So \$5 billion and \$1.2 trillion would have meant that Medicaid—which was going to grow at 40 percent over that 5-year period, after this scorched-earth policy which we put in place, according to the folks on the other side of the aisle—Medicaid would still grow at 40 percent over that 5-year period.

We did not even move it a percentage point. We moved it a fraction of a percentage point in the rate of growth of Medicaid. But it was a difficult exercise to get that through this Congress because we got no Democratic votes—well, we got two, I am sorry. And we had to pass it here with the Vice President voting for it.

Well, we are now in an election year, and the President sent up a budget which, in an almost heroic way, he said, even though it is an election year, we should address some of these entitlement accounts, with Medicare being the biggest. He suggested \$35 billion in savings in Medicare over the 5-year period. Medicare will spend \$2.2 billion over that period, and it would mean the rate of growth of Medicare, instead of being 38 percent, would be 35 percent. I believe those are the numbers. I am not sure of those two numbers, but I think those are the numbers.

In any event, it became very clear from statements made by my colleagues on the other side of the aisle they were opposed to that. In fact, immediately—as soon as the President sent it up—they started saying Medicare was going to be slashed—of course, it was still going to grow at 35 percent—and that senior citizens would be harmed. That drumbeat immediately met it, as it did when the President suggested we should do something about Social Security. So no progress was made on that side with that, and, unfortunately, on our side of the aisle there was also a fair amount of hesitancy on that issue.

I went to the chairmen of the various committees that the President suggested do these entitlement changes, and they all said they could not get the votes on their own committees to pass them out because the committees are ratioed in a way that means if you have one Republican who opposes it, you cannot pass out these types of things, and in each committee there was at least one Republican, unfortunately, who opposed it.

So it became fairly clear to me, regrettably, that a major reconciliation bill this year, on the side of entitlements—because it is an election year—was not going to accomplish much

other than to give people who were not willing to be constructive on the issue, and wanted to create a political issue, a sort of free shot at people who were trying to be constructive on the issues, specifically the President. So we did not put reconciliation instructions in this bill. But we still are aggressive in the accounts which we think are important and which will lead to getting us back to reducing the deficit in half.

What are some of the other structures of this bill that I think are positive? Well, specifically, in the entitlement accounts—well, let me step back. In the area of discretionary spending, the President sent up a number, which was \$30 billion over last year's spending. Last year, we spent about \$843 billion on discretionary accounts. Now, discretionary accounts—for those of you listening who don't understand these arcane terms we use around here—discretionary accounts are for spending we do every year which we do not have to do, but we do it because it involves the necessity obligations of the Government. But it can be adjusted each year.

Entitlement accounts, which I was talking about before—Medicaid, Medicare, Social Security—those accounts spend automatically. They do not adjust every year. If you meet certain conditions of income, of economic well-being, of health, of experience, you have a right to certain payments. Those are called entitlements. To control those, you have to change the law. That is why you have to have a reconciliation bill.

To control spending, you have to reduce or adjust the spending in what is known as an appropriations bill as it comes through the Congress every year. So the Congress has its most significant impact on discretionary spending in that the budget can set a limit on how much money can be spent by the Federal Government under these discretionary accounts.

Now, discretionary accounts would be things such as national defense, education, and laying out roads in some instances—although that is pretty much off-budget now—environmental concerns, some health care accounts.

The President sent up this number, which was \$30 billion above last year. Last year, we spent \$843 billion. This year, the President's number was \$870 billion. It was rescored by CBO to be \$873 billion.

So we said that is a reasonable number. We are going to hold that number. That is called the top-line discretionary cap. So all discretionary spending in the Federal Government will be held at \$873 billion under this cap.

What does that mean? That means, essentially, if anybody wants to come to the floor and spend more money than that, they are going to have to get 60 votes to do it because they will be violating the budget discretionary cap. That is an enforcement mechanism we have around here, and sometimes the 60 votes are here and it gets

waived, but, hopefully, people will be aggressive in protecting this number.

With that number, defense spending goes up, under the President's proposal, about \$28 billion of the \$30 billion. And social spending, or non-defense spending—not all social spending—basically is held flat. In fact, in some accounts it actually goes down.

We have aligned ourselves with the President's top-line number in our bill and recognize we need to make some adjustments in the way it was allocated, although our committee does not do allocations. That is done by the Appropriations Committee. We have suggested different allocations than what the President might have used. We put, for example, an additional \$1.5 billion into education. We put an additional \$1.5 billion into health care. We put an additional \$2 billion into border security.

If we were the appropriating committee, that is what we would do. But we do not have control over this. This is entirely a decision made by the Appropriations Committee. But it is a statement of what the Budget Committee believed was a good allocation because we are required by law to allocate, but our allocations have no force of law. The only allocation that has force of law is, of course, that done by the chairman of the Appropriations Committee, Senator COCHRAN of Mississippi.

So within the discretionary caps we have moved money around. There will be a lot of amendments that come to this floor over the next week as we debate this bill that will try to move the money around again. I would simply note that most of them will be statements of what people want but will have virtually no impact, even if they are successful in what people get because, once again, the budget does not control the allocations. The Appropriations Committee controls the allocations. Even if the cap were to be lifted, it would be entirely up to the Appropriations Committee as to where the extra money would go.

But we feel strongly, or at least I feel strongly, and the Republicans on the Budget Committee—this was reported out of committee on a party-line vote, as it has been the last few years—we feel strongly that rationing, controlling, being aggressive in controlling the discretionary accounts is critical.

Now, that brings me to the second topic. There is a lot of resistance to that, by the way. You would think that when you are running these types of deficits that people would be willing to be fiscally responsible around here, but, believe me, there is a lot of resistance because in general terms people are always willing to be fiscally responsible, but when they get specific, they have programs they want to see increased, which is human nature, I guess.

Within the budget we have an allocation for defense. But what has happened recently—and this is an issue I

have some concerns about—is that since the war on terrorism has begun, a war we did not ask for but which we are prosecuting aggressively, and I strongly support the President's efforts to fight terrorism—we have felt the need—it is an absolute need, and I do not think it is argued on either side of the aisle—to make sure we fully support our military in a way that is appropriate, and especially in a way that those men and women in the field in Afghanistan, Iraq, and other places have the things they need to fight effectively.

So what has happened is we have created this new budget process around here. We have the basic budget process, which is the core, which comes under the discretionary account, which I have been talking about, the \$873 billion number, of which approximately half will be defense money. That is shown in green on the chart. That is what we call the core defense budget, national defense budget. That operates the national defense system.

But on top of that, as part of the warfighting effort, there has been an emergency funding bill every year now for 4 years in a row, which has been very significant. Traditionally, emergencies used to run about—we would have emergency spending in the Federal Government of about \$16 billion, on the average, throughout the 1990s. They represented usually disasters that had to be dealt with. Many of them were farm disasters. Some of them were floods.

Now we are seeing basically a process where emergency spending has become what I call a shadow budget, but at a minimum, it is an alternative budgeting process where you essentially have two budgets around here. You have the budget, which is fairly aggressively disciplined through points of order, many of which I have put in place, some of which were put in place with the cooperation of the Senator from North Dakota, some of which were put in place by my predecessor, Senator Nickles, and some of which were put in place by Senator DOMENICI, the predecessor of Senator Nickles.

But budget points of order lie in order to discipline us on the floor so the core spending of the Defense Department and other discretionary accounts is reviewed. It goes to the authorizing committees. It comes out of the authorizing committees. It comes to the floor and gets reviewed. If certain things are not appropriate, in some instances a budget point of order lies against it.

This second budget which we now have around here—and it is an entirely separate budget. In fact, the average amount spent annually is about \$90 billion, which would run the State of New Hampshire for about 20 years—one emergency budget. So it is a pretty big budget. That budget has no controls at all. Essentially, that comes up here as an emergency. It does not go through the authorizing committee. It goes

through the appropriating committee, which is very effectively led by the President pro tempore, who is now presiding.

But the fact is, it does not have any of the controls that have traditionally gone with regular budgeting, and it has become basically a fact of life. We are not going to get around it. We are going to be in this war for a while. It is going to be expensive.

So I feel, and there are others who feel—I think the Senator from North Dakota agrees with me on this—we have to do something to make sure there is some review of this that puts it more in the camp of being a traditional budget rather than an extraordinary emergency budget which has no discipline to it at all.

So in this bill, we essentially pick a number, \$90 billion. Now, historically, the White House was not sending up any number for these emergencies. In fact, in the years 2003, 2004, 2005, and 2006 they sent up zero. They assumed no emergency at all. That was a bit of gamesmanship, in my humble opinion, to be kind.

Last year, we, as a Budget Committee, put in a figure of \$50 billion. So this year they assumed \$50 billion. And when I asked the Assistant Secretary of Defense why they put in \$50 billion, they said they did not put it in. It was in there only because last year the Congress put it in, and they felt they needed to have it in there in order to reflect what the Congress wanted last year and they didn't think it had any relevance at all.

That being the case, what we decided to do this year is take the average of the last 4 years and put that in as the number because I want to get a reasonably accurate number so we have some truth in budgeting. So we put in a number of \$90 billion for emergencies that we are assuming, which is why—if you go back to the first chart—in our budget the deficit actually exceeds the President's deficit because the President, in his budget submission, did not have the full cost of the emergencies which we know are coming up. I believed we should have it in there, so our budget deficit is projected as higher.

My hope—and I think it is a reasonable hope—is that this will not go on forever. We are, hopefully, going to start drawing down troops, in Iraq especially, soon. And the cost of that war will recede. Obviously, the cost of Katrina, which was a big part of the cost last year, is already in place. That is pretty well spent out, or has been put in place—over \$100 billion for the Gulf States.

So, hopefully, this number will come down. But we are assuming next year, to the extent it comes down, it will be about \$90 billion. In that \$90 billion we are assuming a budget deficit that is about \$40 billion higher than the President's, based on the additional money we put in for the emergencies.

Now, in order to put a little discipline into this exercise, we also put

in a new point of order. I want to be very forthright about this. If we go over that \$90 billion, there will be a point of order that will be put in against emergencies. They really should not be called emergencies because they are known commodities that are coming up here. They should be called extra budgeting for the war on terrorism.

What we have done is put in a point of order which says if you go over the \$90 billion, there has to be a more serious justification of why that money is spent, considering the average is \$90 billion over the last 5 years, and it can be raised with a 60-vote point of order to try to get that discussion going around here. It is a minor attempt—not a very big one—to try to put some discipline into this exercise.

In addition, because of the fact that I still believe entitlements are the biggest issue the Federal Government has to face and recognizing that I was not successful in convincing my colleagues to do reconciliation this year, if you look at this chart, you will see the cost of entitlements going through the roof, especially Medicare. If you take Medicare, Medicaid, and Social Security and combine them, we will spend more in 2030 than we spend today on the entire Federal Government. They keep going up. Basically we would have to radically increase taxes on working Americans beginning in about 2015 and ratchet up dramatically by the year 2030 to remain solvent, well over historical norms, if we are not going to do something about entitlements before then.

In order to address that, I have asked for a new point of order. I didn't ask for it. This idea came from Mr. Leavitt, the Secretary of Health and Human Services. He suggested we put in place a tree which essentially says that if Medicare, which is supposed to be an insurance program, everybody goes to work and they get a Medicare insurance tax, it is supposed to accumulate and you are supposed to be able to pay for your retirement health care through the insurance tax. Parts of Medicare don't have the insurance. Part B, Part D are a little different, but the basic Part A is supposed to be fully insured by then. If the Medicare accounts dip into the general fund—and they shouldn't be dipping into the general fund at all—for more than 45 percent of the cost of Medicare so they are basically not an insurance account anymore, they are basically a general fund account, which means that the general taxpayer is paying them twice—they are paying at the workplace, and then they are paying them out of the general fund—then at that point, if the Medicare trustees tell us that is going to happen for 2 years in a row, it is going to be more than 45 percent in 1 year and more than 45 percent the next year, then a point of order arises which says we need 60 votes to spend money on these entitlements, new money. The idea is to simply gen-

erate the discussion necessary to get some constructive activity around here on the issue of how we control spending in light of projected deficits caused by the baby boom generation retirement.

There is going to be a lot of discussion today about tax policy. It is important to understand our view of tax policy. Obviously, there are two ways you address the deficit. You address it through spending and through revenues. I take the basic view that we are not an undertaxed society. I think Americans pay a lot of taxes. Whether they get what they deserve for what they pay in taxes, I am not so sure, but they certainly pay a lot of taxes. We will see charts from the other side of the aisle—I can't count how many times I have seen these charts, but we will see charts coming from the other side of the aisle which will say that revenues have dropped precipitously since President Clinton was President and that they have only started to recover incrementally in the last few years. The representation will be made that the majority of this drop is a function of cutting taxes which was put in place by President Bush in the first 2 years of his Presidency.

Let me say that I disagree with that representation. We were in the biggest bubble in the history of the world. It was a bigger bubble than the tulip bubble, bigger than the south seas bubble. It was the Internet bubble of the 1990s when people were speculating and creating paper money without anything behind it through speculation on stocks relative to Internet assets. That bubble generated tremendous revenues as people sold stock and bought stock. But when it collapsed, which it inevitably would and did—and interestingly enough, there is a great history of these bubbles, all these bubbles collapsed, and they were all driven by the same philosophy: Somebody had the belief that the basic economics had changed and something had been invented which was going to circumvent the business cycle and there would be no more business cycles. It is a concept which people believed in in the late 1990s. They generally believed that the technology advantages were going to cause us to expand revenues that would allow them to invest and speculate at rates which were massive and historical proportions never seen before.

When that bubble collapsed, it generated a recession which obviously contracted Federal revenues. On top of that recession, we had the attack of 9/11 which generated even a larger recession. The economic damage done by 9/11 was massive. The reallocation of resources that had to occur, the basic grinding to a halt and hiatus taken relative to investment for a while as a result of Wall Street being in chaos for a period of time, all of this led to an even more severe recession or potentially more severe. However, prior to that event, the President had put in his first tax cut. Then after that event, he put in the second tax cut. Those two tax

cuts together were the perfect relief, the perfect formula for basically curing a recession and making it a more shallow recession than one might have expected. We are fortunate that we didn't actually fall into a deep and severe recession during that period. The primary reason we did not was because of the tax cuts.

Another factor of these tax cuts was that they were oriented toward the productive side of our economy so that they created an incentive for entrepreneurs to invest. As a result of that investment, they created an incentive for people to generate economic activity. What comes from that? Jobs. We have had a massive economic expansion in jobs. We have had a massive expansion as a result of the incentives created in the tax law.

Another thing was created by that. When people have more jobs, when there is more economic activity, we get more revenue. This chart reflects that dramatically. We see revenues jumping here. In fact, in 2005, we had the largest increase in revenues in our history. If you go before 2005, you will see revenues coming up. But they are coming up dramatically, 6 percent, 7 percent. About an average of 6.5 percent is the projected revenue increase. It is a function of the fact that we have in place incentives today such as the capital gains and dividends rates that basically create an atmosphere where people are willing to go out and invest. As a result of those investments, they generate capital activity, which creates jobs, which creates taxable events and creates income to the Federal Government. In fact, as we can see from this chart, the historical level of receipts for the country is about 18.4 percent of gross national product. Yes, we dropped down dramatically, but now we are seeing that line come up dramatically. We will reach a historical level of revenues fairly soon—if not next year, certainly the year after—and receipts will be back to what they should be as a percentage of gross national product because we will have put in place an economic engine to generate revenues, called a tax code, which creates an incentive for people to be productive and take risks and create jobs. That is what we wanted.

The other side is going to hold up chart after chart which says, the tax cut was this big for this group, this big for this group, implying that what they want to do is raise those taxes. We don't happen to think raising taxes is the way you keep this economic activity going. We think the way you keep the economic activity going is to continue to drive the incentive for people to invest, take risk and, as a result, create jobs which creates economic activity and basically creates revenues.

Another thing this chart shows that I believe is true is that you can't close this gap between expenditures and receipts on the revenue side unless you are willing to significantly increase the historic tax burden on the Amer-

ican people. You can't do it. You have to address the spending side of the ledger. You have to be willing to slow the rate of growth on discretionary accounts and hopefully soon on the entitlement accounts of the Federal Government, but you can't get there on the revenue side. And you certainly can't get there on the revenue side once the baby boom generation starts to retire because the numbers are too staggering. You would basically tax the young people, the working Americans, out of an existence, out of the capacity to have an existence of a high quality of life which we should be passing on to them, not taking from them, by creating a burden that is so high in the Federal Government that they can't afford it.

So the issue is, generate revenues but don't do it by raising taxes. Generate revenues by creating an atmosphere where people are willing to take risk, be entrepreneurs, create jobs and, as a result, create economic activity.

We have a fundamental disagreement between the two sides of the aisle. That has been obvious for a long time. If you listened to Senator KERRY when he ran for President, the theme of his campaign was: If we hadn't had those tax cuts, things would be great in this country. I take the opposite view. The tax cuts were what gave us less of a recession and what is giving us a recovery which is continuous and has created jobs. I think the last job numbers were something like 243,000 new jobs, which is staggering, or a drop in unemployment claims or something. It was a huge number. We are seeing an economic continuation of economic activity which has been historic in its robustness and continuation. It is a function of the fact that we now have a tax code which to some degree—it isn't a great tax code—addresses what generates revenue which is that you give people an incentive to go out there and be risk takers and create jobs.

On another issue of revenue where the Senator from North Dakota and I do agree—and we have accepted language which he suggested or we are going to before we finish—we believe strongly there are a lot of taxes which should be paid the Federal Government that are not being paid. We had testimony on this before our committee. I am not talking about drug money; I am talking about people underreporting. The Senator from North Dakota has been aggressive in pointing this out, and correctly so. We can collect more money. We don't get the score for that, unfortunately. Even though we are going to increase significantly the amount of money that will flow to the general revenue services for the purposes of audits—and they tell us that is going to generate between 10 and 40, maybe even \$50 billion of revenue we are not getting today—we don't get the score for that. CBO won't score it. Still it is what we should do. So on the revenue side we are going to do that.

That brings me to my conclusion so that we can hear from the Senator

from North Dakota. We have an obligation to do a budget. We as a nation should not go forward without a budget in place; it is not appropriate to running a fiscal house. A lot of people can disagree with this budget—and just about everybody who comes up to me seems to—but the fact is, it is a budget which has made decisions. You can disagree or agree with them. Over the next 50 hours you can offer amendments to try and change it. But at the end of the day, a government that is spending \$2.8 trillion needs to have some guideposts as to how it will be spent. There needs to be a blueprint. There needs to be definition. Every American who runs a household works off a budget, and it would be totally irresponsible if we did not have a budget.

I hope the other side of the aisle will offer a budget as their alternative. There have been some rumblings that they may. In committee they offered a series of amendments which would have significantly raised spending and significantly raised taxes. If that is their budget, fine. But put a budget on the table. We have put our budget on the table. We think it is reasonable. There are things I would have done. I would have gone further in accounts if I had had the ability to pull it off. But independent of that, this budget is a responsible budget. It addresses spending in a responsible way, and it puts in place enforcement mechanisms which allow us as a Congress to put at least warning signs in the road when we start to get off the road of fiscal responsibility.

I yield the floor and appreciate the courtesy of the Senator.

The PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank my colleague, the chairman of the Budget Committee, for his many courtesies during the budget process and the budget hearings. There has been full consultation with respect to the operations of the committee, the hearings that we have held, the way we have conducted the markup, the way we will proceed here on the floor. I thank him very much for that set of courtesies. I also thank him for his professionalism. There are many places he and I agree. I think both of us would be the first to acknowledge that we are on an unsustainable course and that the country is going to have to face up to these growing deficits and debt. And the sooner we do it, the better.

With that said, I do disagree with this budget. I don't think it meets the needs of our time. I don't think it faces up to this rapidly growing debt. I don't think it has the right priorities for the American people. And I don't think it has the right balance.

If there is one message I would want to communicate, it is this: The debt is the threat. We hear a lot of talk about deficits, but really the threat to our country is the growing indebtedness of our country, an indebtedness that is increasingly being financed by foreigners.

How did we get into this mess? We can go back to 2001 when the President told us that if we would adopt his financial plan, everything would go well. He told us:

[W]e can proceed with tax relief without fear of budget deficits, even if the economy softens.

That is what he told us back in 2001. Now we are able to check the record and see, was the President right? This chart shows very clearly the President was wrong. We had a \$236 billion surplus in the year before he took office, and this is the fiscal record since. The President's plan has plunged us into deep deficit, the largest deficits in our country's history.

The next year, 2002, the President revised his position and said:

. . . Our budget will run a deficit that will be small and short-term. . . .

He retreated from the assertion that we were not going to have deficits because obviously that proved wrong. Then he said the deficits are going to be small and short term. That was the next year. Now we are able to check that statement and see if that was right.

Once again, the President was simply wrong. The deficits have not been small and short term; they have been large and long term. In fact, virtually every year, the deficits have gotten worse. In the first year under the President's plan, we had a \$158 billion deficit. In 2003, that exploded to \$378 billion. It increased even more in 2004 to \$413 billion. Then we had some improvement in 2005 with \$319 billion. In 2006, we are now forecasting once again the deficit going up.

Far more serious than the deficit is the increase in the debt because the debt is increasing much more rapidly than the size of the deficits. I indicated for 2006, we are anticipating a deficit now of \$371 billion, but the debt is going to increase by \$654 billion.

I find very often people are confused on this point. They think the deficit is the amount by which the debt increases, and that is not the case. The biggest difference is Social Security funds that are in temporary surplus that are being used under the President's plan to pay for other things—to pay for tax cuts, to pay other bills. And when you add up the deficit and the amount being taken from Social Security, which has to be paid back, and other trust funds that are also being diverted and being used for other purposes, what we find is the debt in this year will increase not by \$371 billion, the amount of the deficit, but instead by \$654 billion. That is why I say the debt is the threat.

The next year after 2002, the President, in 2003, no longer made the argument that the deficits were going to be small and short term because that was clearly not going to be the case. Now he revised his argument for the second time when he said:

Our budget gap is small by historical standards.

That is not really right, either, because here is the record with respect to the deficits in comparison to back in 1970, 36 years of comparisons. We can see the deficit under the President's plan has been the largest in dollar terms in our history. In fact, he is in first, second, and third place. He has the top three deficits in our country's history.

There is a new report out that says the deficits as reported are themselves understated. Not only is the debt going up more rapidly than the deficits, but this is a report about what would happen if we were under the kind of accounting system virtually every company in America is under, accrual accounting. Here is what it says. This is a Gannett News Service report from March 3 of this year:

If the United States kept its books like General Motors and nearly every other business in the country, the 2005 budget deficit would be \$760 billion and rising, not \$319 billion and falling, as is commonly reported. . . .

They go on to ask the question:

How can two reports on the same budget be so different? It's a matter of what's counted. The budget figures usually bandied about in Washington are the amounts the Government takes in and spends each year. The financial report, which has been an annual requirement since the mid-1990s, does what businesses are required to do: include the cost of promised benefits.

If that were done, the deficit for 2005 would not have been \$319 billion, the deficit would have been \$760 billion.

I am increasingly persuaded that the language we use in Washington misleads people. I go back to when President Bush came in and we were told we were going to have \$5.6 trillion surpluses. It was never true. Much of that money was Social Security money. There wasn't much of a surplus at all. It was a temporary surplus, but every dollar of that money was going to be needed.

This shows that if we were on an accrual basis such as virtually every other institution in this country operates on, we would not have had a deficit of \$319 billion in 2005, we would have had a deficit of \$760 billion.

Then in 2004, the President changed his argument once again. He went from there are going to be no deficits, to they are going to be small and short term, to they are small by historical standards. When all of those proved wrong, then the President said: I am going to cut the deficit in half over the next 5 years. This is what he said in August of 2004:

So I can say to you that the deficit will be cut in half over the next five years. . . .

I think the President will be proved wrong once again. Why? Because in reaching that calculation, the President simply left out things. He left out any war costs past 2007. He left out all the costs of fixing the alternative minimum tax, which will cost \$1 trillion to fix. He didn't put any money in his budget for it past this year.

When we add back in the items the President has left out and we go be-

yond the 5 years in his budget to capture the full effect of his proposed tax cuts, what we see is some modest improvement during the 5 years in terms of the deficit—that is not true of the debt, by the way; it is true of the deficit—but past the 5 years, things get much worse as the full effects of the President's tax cuts take effect. Here is why.

This chart shows the full effect of the President's proposed tax cuts. The President's budget only goes to this dotted line. But look what happens beyond the dotted line in terms of the cost of his tax cut. It absolutely explodes. Of course, not all this is captured in his budget.

Similarly, none of the costs beyond fiscal year 2006 are in his budget for fixing the alternative minimum tax. The alternative minimum tax, the old millionaire's tax, is rapidly becoming a middle-class tax trap. It costs \$1 trillion to fix over 10 years. The President doesn't have a dime in his budget to do it beyond 2006.

The President has what I would call a rosy scenario. He says he is going to cut the deficit in half, but it is largely based on a fiction. It is not really a budget at all.

On the alternative minimum tax, again the President has nothing in his budget past 2006 to deal with it. Mr. President, 3.6 million taxpayers were affected in 2005. By 2010, there will be 29 million taxpayers affected. And the President does nothing to address this need. There is no money in his budget past 2006 to face up to it.

But that is not the only place the President has understated the costs. With respect to the war, in 2006 and 2007, the supplementals he has provided, he has \$118 billion budgeted. The CBO says \$312 billion is needed.

Once again, the President is badly understating the true cost to the country and, as a result, winds up with a misleading budget result.

When I say the debt is the threat—and I hope, if people take nothing else away from my discussion today, they will begin to understand that the great threat to this country is the burgeoning debt of our Nation. The debt is the threat.

As I have indicated, the President has funded the war with a series of supplementals. The chairman of the committee had this chart up as well. In 2006, \$118 billion; in 2007, he is only asking for \$50 billion at this point. Really, is that what the war is likely to cost? Is all of a sudden the need for these additional funds going to be cut more than 50 percent? Or is the President playing hide the ball from us in terms of these costs?

When I talk about the debt, the President early on acknowledged how important it is to face up to the debt. This is what he said in 2001:

. . . My budget pays down a record amount of national debt. We will pay off \$2 trillion of debt over the next decade. That will be the largest debt reduction of any country, ever.

Future generations shouldn't be forced to pay back money that we have borrowed. We owe this kind of responsibility to our children and grandchildren.

The President was exactly right. I agree with every one of these words in terms of the need to pay down the debt and we should not be shuffling this responsibility off on our children and grandchildren. That is what the President said. He said he would have maximum paydown of the debt.

Let's look and see what has actually happened because, once again, the President was simply wrong. There has been no paydown of the debt. This is what the debt was at the end of his first year. We don't hold him responsible for what happened the first year because he is operating under the previous administration's budget.

At the end of the first year, the debt was \$5.8 trillion. At the end of this year, the debt will be \$8.6 trillion. The President said he would have maximum paydown of debt. There is no paydown of debt here. The debt has exploded. And if the President's budget or the budget that is offered on the floor is adopted, at the end of the next 5 years, the debt will be \$11.8 trillion—a national debt that will have more than doubled since the end of the President's first year in office, all of this before the baby boom generation retires.

This President has racked up already more debt than any President in history and by a large measure. The debt limit has already increased over \$3 trillion: \$450 billion in 2002 was added to the debt limit; in 2003, \$984 billion; in 2004, \$800 billion; now this week, they are asking for another almost \$800 billion increase in the debt limit. That is why I say the debt is the threat.

And what are the ramifications? Here is one that I find most stunning. It has taken 42 Presidents—all of these Presidents pictured here going back to the time of George Washington, through every President, including the President's father, and then President Clinton—it took 42 Presidents 224 years to run up \$1 trillion of external debt, our debt held by foreigners. This President has more than doubled that amount in 5 years.

This is an utterly unsustainable course. It is an absolutely unsustainable course. Unfortunately, in this budget, nothing is being done about it except to make it much worse.

The result of these extraordinary debts being held by foreigners—and there was a recent article in the Washington Post that indicates now that foreigners hold almost 50 percent of the U.S. debt. It used to be that we would borrow from ourselves to finance this debt. Not any more. Now we are borrowing from every country all around the world. We have borrowed over \$680 billion from the Japanese. We have borrowed more than \$250 billion from the Chinese. We have borrowed more than \$230 billion from the United Kingdom and, my favorite, we have borrowed more than \$100 billion from the

Caribbean Banking Centers. Why, we have even borrowed \$60 billion, more than \$60 billion, from South Korea.

This is a course that is utterly unsustainable. Chairman Greenspan has said it. The Comptroller General of the United States has said it. The head of the Congressional Budget Office has said it.

Now we have this budget on the floor, and this budget basically is a stay-the-course budget. It keeps running up the debt. It keeps running up the debt, and in record amounts.

If that is what you want to support, I would say to my colleagues, vote for this budget. If you think the appropriate course for the country is record additions to our debt, then vote for this budget. Because in this budget, they have left out 10-year numbers, so they hide the effect of the tax cut proposals of the President. They don't have funding for the ongoing war costs beyond 2007. They don't fund the alternative minimum tax reform beyond 2006. They have left out entirely the President's Social Security privatization proposal.

If we put back some of those things that have been left out, instead of the chart that the chairman showed with these red blocks with the budget deficit going down or appearing to go down, if you add back the omitted costs and you add back the money that is being taken from Social Security that adds to the debt—all of it has to be paid back—and you add the associated interest costs, what you find is the debt is going up each and every year of this budget proposal by more than \$600 billion.

In 2007, the debt is going to go up \$680 billion. In 2008, it is going to go up \$656 billion. In 2009, it is going to go up \$635 billion. In 2010, it is going to go up \$622 billion. In 2011, it is going to go up \$662 billion.

Now, unless somebody thinks I am just imagining these numbers, making them up, let's look at what is in the budget offered by our colleagues, their calculation, their calculation of how much the debt is going to go up during this period. And, remember, they have left out war costs past September 7, 2007. They have left out the need to fix the alternative minimum tax. They have left out the associated interest costs. But even their calculations—even their calculations—show the debt going up this year, 2007, by \$663 billion; in 2008, \$577 billion; in 2009, \$536 billion; in 2010, \$513 billion; in 2011, \$539 billion. This debt is running out of control.

If we look at what are the causes, it is very simple. We are spending more money than we are raising in revenue. That is why we have explosions of deficit and debt. We are spending more than we are raising, and our colleagues on the other side don't want to reduce their spending to the amount of revenue they are able to provide, nor are they willing to raise the revenue to meet their spending. The result is an explosion of deficit and debt.

This shows the relationship between spending and revenue going back to 1980. The red line is the spending line. You can see during the previous administration, spending as a share of gross domestic product came down each and every year. Why do we use gross domestic product? It is because economists say that is the way to take out the effects of inflation and real growth, so that you are comparing apples to apples.

With the new President, President Bush, spending went up. Why did it go up? Overwhelmingly, it went up because of the need for more spending for national defense and homeland security, and to rebuild New York. Those are increases in spending that all of us supported on a bipartisan basis, and that took the spending up to something over 20 percent of GDP. But look what happened to the revenue side of the equation. The revenue side of the equation went from a record level in President Bush's first year, and the revenue side of the equation collapsed. Part of it, as the chairman rightly describes, is as a result of economic slowdown, but about half of the reduction is because of tax cuts. Now we can see the revenue in 2004 was actually the lowest as a share of GDP since 1959—the lowest since 1959.

We have seen a bump-up as we have seen economic recovery. The chairman is absolutely right; economic recovery does lead to revenue. Absolutely. The place where we disagree is the notion that some on that side of the aisle have that tax cuts generate more revenue. I have heard this so often from the other side: Tax cuts generate more revenue.

Let's check the facts. What the chairman showed was projections. He showed what he forecasts or somebody forecasts is going to happen in the future. Let's not rely on future projections. Let's look at what has actually happened in the real world to revenue after the massive tax cuts of this administration. Did we get more revenue? That is a pretty simple question to ask and a pretty simple question to answer. The answer is no, we didn't. In 2000, before the big tax cuts, we had over \$2 trillion of revenue. Then we had the massive tax cuts of 2001, and look what happened to revenue: It went down in 2002. It went down in 2003. In 2004, it still was well below where it had been in 2000. We didn't get back to the revenue base that we had in 2000 until the year 2005.

At what point are we going to dispel the myth that tax cuts create more revenue? They didn't, they haven't, and they won't.

That is not my view. I am taking my view from what has actually happened in the real world, instead of some ideological belief and hope. Let's go on facts. Let's go on what has happened. Here is what Chairman Greenspan says:

It is very rare and very few economists believe that you can cut taxes and you will get the same amount of revenues.

This is not based on just what Chairman Greenspan says added to the facts

of what happened since 2001; here is what an Economy.com report says on the U.S. macroeconomy:

Economists find no support for the claim that tax cuts pay for themselves. Four years after income taxes were first cut and nearly four years after the recession ended, Federal revenues are still slightly below their early 2001 peak on a nominal basis; on a real basis, adjusted for inflation, revenues are down 11 percent from their all-time high. Therefore there is no support for the Laffer Curve effect: the view that a tax cut can actually boost government revenues as workers and entrepreneurs respond with large increases in effort.

From that, I don't make the argument that the answer to our problem is tax increases at this point. I do believe revenue has got to be part of the solution.

Our friends on the other side and the chairman have said it has to be done on the spending side. Absolutely, the spending side has to be a very significant part of addressing this problem. But revenue also has to be a part of addressing this problem, and the first place we ought to look for revenue is not a tax increase. The first place we ought to look for revenue is the tax gap, the difference between what is owed and what is being paid.

The revenue department says the tax gap is now \$350 billion a year. Let me repeat that. The tax gap, the difference between what is owed and what is being paid, the revenue commissioner tells us, is now \$350 billion a year. If we were to just collect revenue due under the current revenue table, we would virtually eliminate the deficit. We would still have a problem with the debt because, as I have indicated, the debt is going up much faster than our deficits. But if we could collect the amount of money that is actually due, we would make meaningful inroads into this incredible abyss of deficits and debt, and we ought to do it.

Also, as the chairman has said—and this is a place I agree—we are going to have to deal with the entitlements. Entitlements are growing much more rapidly than the size of the economy, and they are going to be added to by the baby boom generation. The baby boom generation is going to change all of this very dramatically. So at some point, we are going to have to face up to that.

I think it is increasingly clear that the only way this is going to be faced up to is if we do it together. Republicans can't do it alone; Democrats can't do it alone. It is going to require Democrats and Republicans working together to face this challenge of a burgeoning debt, and the sooner we do it, the better.

On the assertions that the economy is doing great, here is what the Comptroller General said about our current fiscal path before the Senate Budget Committee last month:

Continuing on this unsustainable fiscal path will gradually erode, if not suddenly damage, our economy, our standard of living, and ultimately our national security. Is any-

one listening? Is anyone listening? Here is the Comptroller General of the United States telling us we can't stay on this course, that it threatens our economy and even our national security.

For those who say the economy is doing fine, I present an alternative view. Here is what has happened to real median household income. It has declined for 4 straight years. Median household income has declined for 4 straight years. We have looked at previous recoveries since World War II. There have been nine economic recoveries from recessions since World War II. We have compared this recovery to the previous recoveries. Here is what we found. Growth of the economy lags behind the typical recovery. On average in the previous 9 recoveries, GDP has averaged 3.2 percent; in this recovery, it is averaging 2.8 percent.

It is not just economic growth, it is also business investment. Here is the average. This dotted red line is the average of the nine previous business cycles in terms of business investment. Here, the black line is this recovery. Business investment is lagging the average of the nine previous recoveries by 62 percent. What is wrong here? Something is wrong. Something has changed from our previous economic recoveries.

It is not just growth of GDP, it is not just business investment, it is also job creation. This red line is the average of the nine previous recoveries from recessions since World War II. The black line is this recovery. We are running 6.6 million private sector jobs behind the typical recovery. At this very same period in the cycle, this very same time period, we are 6.6 million private sector jobs behind the average recovery since World War II.

We have to face up to what is happening: burgeoning deficits and debt; a recovery that is not producing the same economic growth, the same business investment, the same job creation we have seen in other recoveries since World War II; and then we have a budget that I believe is also wrong on priorities. This budget says that in 2007, the tax cuts going to those who earn on average over \$1 million a year will cost \$41 billion for the year. Let me repeat that. Under the budget that is presented here and the budget of the President, the tax cuts going to those who on average earn over \$1 million a year, the tax cuts for 1 year alone will be \$41 billion. Meanwhile, the President says cut education \$2.2 billion, the biggest cut education has ever been asked to take. I don't believe that is the right priority for the country.

It is not just with respect to education. Veterans are being asked to take reductions such that it would cost \$800 million—\$795 million to restore those reductions, those cuts, in terms of what they receive. Actually, this \$800 million is the \$250 annual enrollment fee the President is asking for and the increase in their drug copayments that he is asking for—\$800 million to eliminate those increased fees

and costs to veterans. But the President's budget says: No, it is 50 times more important to provide tax cuts to those earning over \$1 million a year. Those are his priorities. I don't think those are the priorities of the American people.

When I look at law enforcement, I see the same thing. It would cost about \$400 million to restore the COPS Program. The President cuts the COPS Program that puts police officers on the street. He cuts it about \$400 million, which is one one-hundredth as much as is going to tax cuts for those who earn over \$1 million a year. Are those really the priorities of the American people? Is it 100 times more important to give tax cuts to those earning over \$1 million a year than it is to put police on the street? I don't think so.

It doesn't end there. This budget, the President's budget, on local law enforcement grants, they don't just cut those, they eliminate them. The Byrne Justice Assistance grants, Safe and Drug-Free Schools—they eliminate them. They don't just cut them, they eliminate them. Vocational education—they don't just cut it, they eliminate it. The COPS Program, as I indicated, is cut 78 percent; firefighter grants, cut 55 percent; essential air service, cut 54 percent.

I am not talking Washington-talk about cuts. I am not talking about restricting the rate of growth. I am talking about cutting from what was provided last year. Weatherization grants are cut 2 percent, Amtrak is cut 32 percent, community development block grants are cut 20 percent, and the Low-Income Home Energy Assistance Program is cut 17 percent.

This is a budget that I believe is just wrong. I believe it is wrong for the American people. It is wrong because it explodes deficits and debt. It is wrong on its priorities. Let me just sum up with what the National Catholic Reporter wrote on February 17 of this year:

But what has become clear during five years of the Bush administration is now glaringly apparent in the easily discerned outlines of its proposed 2007 budget: Cuts in vital programs that benefit the poor and middle class, continuing tax relief for the very wealthy.

If budgets are, as some contend and we would agree, moral documents, then this one suggests we have abandoned a basic sense of right and wrong and any notion that we are at our best when we strive to make life better for all, not just those who manage to accumulate wealth.

I want to end as I began. I believe the fundamental threat of our time is the growth of the debt. The debt is the threat. This budget absolutely fails to face up to that growing and burgeoning debt.

I yield the floor.

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

Mr. GREGG. Mr. President, just to briefly respond because obviously the Senator has made numerous points

here, I agree with some, and with some I disagree. But I think this focus on the debt is an interesting approach and one which I can certainly be sympathetic to, and I would be more sympathetic to it if during the markup on this bill we had amendments offered from the other side that would have significantly reduced the debt. That is not what we had. We had amendments which would increase the spending of the Federal Government by about \$150 billion in entitlement accounts, about \$16 billion approximately on discretionary accounts for this coming year, and then they raise taxes or proposed raising taxes in order to meet those new spending initiatives.

If you are going to reduce the debt, you can do it, of course, by raising taxes. The last group of charts the Senator highlighted would be one way, and maybe the alternative they could seek on their side of the aisle would be where they would raise taxes by \$41 billion on one segment of Americans, or they can raise taxes across the board, or they can raise taxes on specific groups. All of that is possible to reduce the debt, but that is not what they offered in committee. What they offered in committee was to increase spending on all sorts of initiatives and then raise taxes to cover the spending, which does nothing significant to reduce the debt.

You can also reduce the debt by reducing the deficit because every deficit dollar is added to the debt. That is what we have attempted to do in this bill. We will attempt and we intend to reduce the deficit in half over 4 years on this bill, and we do it by aggressively addressing discretionary spending.

The Senator is suggesting there are other places not mentioned in this bill, such as the AMT. Yes, we do not address the AMT. I believe the AMT, if it is going to be addressed, should be addressed in the context of tax reform where it is a revenue-neutral event. I would also point out the vast majority of AMT is paid for by people in high incomes; 75 percent of the AMT tax, I believe, comes from people with incomes over \$100,000.

First they put up a chart that says high-income individuals should have their taxes increased, and then they put up a chart that says we don't account for cutting taxes on high-income individuals. There is a little bit of inconsistency there, in my opinion. But the AMT fix should not be done in a vacuum. It should not be a hit on the Treasury to the tune of almost \$1 trillion. It should be done in the context of major revenue reform, which allows us to adjust it so if low-income people or moderate-income people—there are no low-income people covered by AMT, but if moderate-income people find themselves falling in the AMT, the tax laws will be adjusted so they will be taken out of that, but at the same time we adjust in other areas to make the laws more fair and maintain the rev-

enue base. That is the way to address that. You don't just unilaterally act on that. So I don't find that to be a compelling case they are making.

They make the case on Social Security. We would have been happy to put Social Security in here if the other side of the aisle had not shot the idea down of any Social Security reform—which we really need, we need Social Security reform—shot it down before it even got up to the Congress.

The President went around the country talking about a variety of ideas. He put everything on the table, and the other side of the aisle just started attacking him for even addressing the issue of Social Security. We know Social Security is a serious problem. We know it. But there is no point in moving forward on it if the other side of the aisle has an attitude that we are not going to do anything, we are just going to use it as a political club, which was exactly the approach that was taken when the President addressed it. So that is hard to accept as a valid thing that should be in this budget, Social Security.

This budget does not assume the present tax increases after the budget window, which is different from the President's budget, so it is a different approach we have taken in this bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GREGG. How could my time possibly expire? I think I have 25 hours.

The PRESIDING OFFICER. The time until 11:30 was evenly divided. So it is out before 11:30.

Mr. GREGG. It is only 11:25.

The PRESIDING OFFICER. The Senator from North Dakota has the remainder of the time.

Mr. CONRAD. I will be happy—maybe we can make an adjustment here, so the Senator can finish his thoughts and then I would have a brief time to respond.

Mr. GREGG. That sounds good to me. Why don't we extend this for 15 minutes? Divide the time equally?

Mr. CONRAD. Could we do it for 12?

Mr. GREGG. Whichever. Twelve is fine to me.

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

Mr. CONRAD. We can split the time so the Senator has a chance to conclude his thoughts.

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

Mr. GREGG. The context of my comments are basically directed to the issue of debt. I believe debt should be reduced. I believe the way you reduce debt is to begin by reducing the deficit, which is what the budget does. But the presentation that this budget uniquely aggravates the debt is really not viable in the context of the solutions which are being offered by the other side because none of the solutions being offered by the other side would reduce the debt, either. They are basically offering—or at least they did in committee—amendments which increase

spending and increase taxes, thus taking resources which logically the other side would want to use to reduce the debt but isn't, and spending the money. In the end, that doesn't reduce the debt at all.

I didn't see in the markup at all any proposals that would reduce the debt coming from the other side. We look forward to them offering a budget which accomplishes that. I would be most interested in such a budget because I do think it is important we do that. We tried to do it in our bill by reducing the deficit in half over the next 4 years, which does take money and reduce the debt because any time you reduce the deficit, you reduce the debt. You are not adding to the debt.

Mr. President, I ask unanimous consent that the use of calculators be permitted on the floor Senate during consideration of the budget resolution.

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

Mr. GREGG. Mr. President, I ask unanimous consent the following staff members from my staff and from Senator CONRAD's staff be given all-access floor passes for the Senate floor during consideration of the budget resolution. From the Republican staff: Cheri Reidy, Denzel McGuire, Jim Hearn; from the Democratic staff: John Righter, Steven Posner, Sarah Kuehl.

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

Mr. GREGG. Mr. President, I ask unanimous consent that the staff of the Budget Committee be granted the Senate floor privileges for the duration of the consideration of the budget resolution:

Amdur, Rochelle; Bailey, Stephen; Bargo, Kevin; Binzer, Peggy; Brandt, Dan; Cheung, Rock E.; Delisle, Jason; Donoghue, Samuel; Esquea, Jim; Fisher, David; Forbes, Meghan; Friesen, Katherine; Green, Vanessa; Gudes, Scott B.—Staff Director, Full Access Pass; Halvorson, Dana; Hearn, Jim; Holahan, Betsy; Isenberg, Cliff; Jones, Michael; Kermick, Andrew.

Klumpner, James; Konwinski, Lisa—General Counsel, Full Access Pass; Kuehl, Sarah; Kuenle, Jason; Lewis, Kevin; Lofgren, Michael; Mashburn, John; McGuire, Denzel; Millar, Gail—General Counsel, Full Access Pass; Miller, Jim; Mittal, Seema; Morin, Jamie; Myers, David; Nagurka, Stuart; Naylor, Mary—Staff Director; Full Access Pass; Noel, Kobye; Olivero, Tara; O'Neill, Maureen; Page, Anne; Pappone, David.

Parent, Allison; Pollom, Jennifer; Posner, Steven; Reese, Ann; Reidy, Cheri; Righter, John; Seymour, Lynne; Smith, Conwell; Soskin, Benjamin; Turcotte, Jeff; Vandivier, David; Weiblinger, Richard; Woodall, George; Wroe, Elizabeth.

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

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I go back to where I started. The debt is the threat. This budget before us increases the debt \$600 billion a year, each and every year of its term. That is the reality. That is the budget we have before us. It is the obligation of the majority to offer a budget, and they have

done so. It is our obligation to comment and critique their budget, which we have done.

The most important critique that I offered is that this budget explodes the debt. It is undeniable. It is clear. Their own numbers show that it explodes the debt.

Beyond that, the chairman references what happened in the committee. I believe he didn't mention our first amendment—it will be our first amendment on the floor—which is a pay-go amendment to restore budget discipline to require that if you want to have more mandatory spending, you have to pay for it. And if you want to have more tax cuts, you have to pay for them. But they defeated that budget discipline. They defeated that budget discipline, and they proposed this budget that explodes the debt.

In addition, every one of our amendments—I don't know where the chairman got his number—that cost \$128 billion in committee, we provided \$134 billion of funding for those amendments.

We reduced the buildup of deficit and debt by \$6 billion. But that is not the point. The point is, what needs to be done—and I think the chairman might agree with this—is to take on this debt threat. The only way it is going to happen is if we do it together. Your budget doesn't do it. We are not going to offer a budget that is going to do it because if you offer one on your own, you couldn't pass another one. If we offered one on our own, we couldn't pass it on our own—certainly not in the minority.

I have come to the conclusion—I have talked to colleagues over the weekend, and I believe the chairman may share this view—that the only way we are going to take on this debt is to march together. It has become so serious and so big that neither party can do it alone. That is the truth.

Again, we didn't offer tax increases in the Budget Committee. We did offer to more aggressively close the tax gap to pay for these measures. And the biggest spending measure that we offered—in fact, nearly all the increase in the spending, or a significant majority of it—was in one amendment, and that was to take veterans' benefits from the discretionary side of the budget to the mandatory side of the budget. We do not believe veterans' benefits should be considered discretionary. It is not discretionary. It is mandatory that we provide for these veterans. That amendment cost \$104 billion. But we paid for it.

Unless anybody wonders if there are tax loopholes out there to close, let me tell you about one of the most recent scams which was uncovered where companies in the United States are buying sewer systems of European cities, depreciating them on their books in the United States, and then leasing the facilities back to European cities.

Is that a tax increase to take away that scam? I don't think so. Is it a tax increase to take away the scam that

allows a five-story building in the Cayman Islands to be home to 12,500 companies which claim they are doing business in the Cayman Islands? They have a five-story building down there that is the home to 12,500 companies. Is it a tax increase to end that scam because there are no taxes in the Cayman Islands and that is where those companies want to show their profits?

Shame on those companies, shame on the Cayman Islands, shame on us for allowing that to happen, and shame on us for not collecting the revenue that is due under the current system. The vast majority of us pay what we owe. The vast majority of companies pay what they owe. But we have an increasing number of individuals and an increasing number of companies that aren't, and we ought to go after them. It is \$350 billion a year. The revenue commissioner said we could get at least \$50 billion to \$100 billion of that amount without fundamentally changing the relationship of the revenue service to the taxpayers of the company.

Social Security reform: What the President proposed is not what I would consider Social Security reform. Once again he was going to borrow the money. He was going to borrow hundreds of billions of dollars to change the Social Security system. Of course we opposed that. Not only was he going to borrow hundreds of billions of dollars, but he himself was going to cut benefits. We oppose that. I am proud to have opposed that.

I am not for any more of these plans that explode the debt of the country. We have had enough of that. The debt does represent an enormous threat to the economic security of America. I believe that.

Could I be advised of the time remaining, how it is divided?

The PRESIDING OFFICER. The Senator has 3 minutes 50 seconds, and the Senator from New Hampshire has 3 minutes 40 seconds.

Mr. CONRAD. Mr. President, at this point, would the Senator join me in yielding that time?

Mr. GREGG. Take it off the bill.

Mr. CONRAD. We yield the time remaining.

The PRESIDING OFFICER. The time is yielded.

#### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of morning business from 11:30 a.m. until 1:30 p.m.

Mr. GREGG. Mr. President, I ask unanimous consent that during the period of morning business it be deemed the clock is running on the budget bill, and the time will be charged equally.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Mr. President, we urge our colleagues who want to make a statement on the budget, this is the time where they could come and do

that. We are going to be working very hard. The chairman and I are trying to develop a plan that would give people certainty and that we would have time agreements to shorten the amount of time on each amendment so we could get more amendments concluded before we begin the vote-arama. I think that would dramatically improve the quality of the debate. I think it would improve the quality of experience for Members of this body.

The chairman and I have talked about this. Perhaps he would want to comment on what we are trying to do as well, so we alert colleagues and their staff that we are going to be coming to them with relatively short time agreements on amendments with a certainty of schedule so that we try to get our business conducted to the extent we can before we begin the vote-arama.

The PRESIDING OFFICER. Acting as the Presiding Officer and as a Member of the Senate, the Senator from Ohio objects.

Objection is heard.

Mr. GREGG. Mr. President, I ask unanimous consent that as time is running during morning business, the next hour and half also be running against the budget bill.

The PRESIDING OFFICER. The Senator from Ohio does not object.

Without objection, it is so ordered.

Mr. GREGG. I thank the Senator for his courtesy.

The PRESIDING OFFICER. The Senator is more than welcome.

Mr. GREGG. Mr. President, I understand that will be equally divided.

The PRESIDING OFFICER. That is correct.

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

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

The legislative clerk proceeded to call the roll.

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

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

Ms. COLLINS. Mr. President, I ask unanimous consent to speak for up to 15 minutes in morning business.

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

The Senator from Maine is recognized.

Ms. COLLINS. I thank the Chair.

(The remarks of Ms. COLLINS pertaining to the introduction of S. 2400 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

## THE BUDGET

Mr. McCONNELL. Mr. President, I understand this is fiscal responsibility week on the Democratic side of the aisle. It is a good time to talk about that and to talk about the strength of the American economy. It is certainly no secret to any in Congress or to the American people that when the President came to office we had a terrorist attack, we have had corporate accounting scandals, a bursting stock bubble, and, of course, our share of natural disasters.

In spite of all that, our economy is in extraordinarily good shape. It is very strong, and it is not by accident. It is a direct result of the policies of the President of the United States and of the Republican Congress.

Since the enactment of the Jobs and Growth Act of 2003, more Americans are working than ever before. Five million new jobs have been created since May 2003 alone. Unemployment is at 4.8 percent. That is lower than the average of the 1970s, the 1980s, and even the boom 1990s that our good friends on the other side of the aisle claim is the best the economy could ever do. Current unemployment is lower than the average of the 1990s.

Home ownership, the American dream, has reached an all-time high and remains near that high today. The stock market, a good way to measure prosperity, is up more than 2,500 points since May 1, of 2003. That is nearly a 30-percent increase in the stock market since we passed the Jobs and Growth Act of 2003.

Americans have more money in their pockets. Aftertax income is up 7.9 percent since President Bush took office. We cut the capital gains tax rate. I remember all the comments on the other side of the aisle about how this was a tax cut for the rich and how it was going to cost the Government all kinds of revenue. The results are in. By cutting the capital gains tax rate, we increased the revenues to the Federal Government by \$20 billion. In other words, the receipts from capital gains went from \$58 billion, when we had a higher rate, to \$78 billion with a lower rate, exactly as the occupant of the chair, myself, and these in the Bush administration predicted. Cutting capital gains tax produces more revenue for the Government. Now we have proven that to be the case.

We are taking more important steps to put our fiscal house in order. The deficit reduction bill which the President signed within the last month actually reduces the deficit by \$40 billion for the first time since the late 1990s. It is an actual deficit reduction bill, a reduction in the entitlement spending, one of the hardest things to do around here. We did not pass it by a landslide, but we got it done.

What is this all about? It is all about the American people. The Government does not create jobs and opportunity; the private sector does. The policies of the President and the Republican Con-

gress have stimulated the private sector, allowed our country to work its way through some of the most dramatic setbacks imaginable, from the first big terrorist attack—hopefully the last one on our soil—corporate scandals, the stock market bubble bursting, all of that, and yet our economy is roaring.

What do our good friends on the other side of the aisle think the prescription is in the wake of this riproaring economy and all of this success? We saw some of it in the Committee on the Budget last week. First, they want to increase the discretionary cap on this budget we are now considering, increase that by \$19 billion. In other words, have some more spending over and above what the President has recommended and what the budget that came out of the Committee on the Budget recommends, \$873 billion. They want to increase that by \$19 billion. They also would have mandatory spending increases of \$109 billion. The President just got through signing, after Congress passed, a deficit reduction bill to reduce mandatory spending by \$40 billion over the next 5 years and the Democrats on the Committee on the Budget want to increase it by \$109 billion. That will wipe out all those savings and add another \$50 billion or so on top of it.

Our Democratic friends also proposed tax increases of \$134 billion in the committee last week. It strikes me that their solution in the wake of this stunningly robust economy we find ourselves with is to tax and spend, the old formula.

I hope we will not go down that road as we move toward passing the budget this week. We have an opportunity to demonstrate that we are willing to restrain ourselves, that we are willing to cap the rate of discretionary spending. We will have that vote at the end of the week. I hope it will be successful.

I yield the floor.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

## CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2007—Continued

The PRESIDING OFFICER. Under the previous order, the hour of 1:30 p.m. having arrived, the Senate will resume consideration of the budget resolution, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 83), setting forth the congressional budgets of the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I listened to the very able Senator from Kentucky. His description of this budget does not quite fit the budget I have seen, both in the Senate and in the committee. He talks about deficit reduction. There is no deficit reduction here. Let's be clear with people. There is no deficit reduction.

He talks about the deficit reduction bill offered last year by the Republicans. They called it "deficit reduction," but there was no deficit reduction. They cut taxes \$70 billion, cut spending \$40 billion. Do the math. That did not reduce the deficit. It increased the deficit. Is the deficit going to be lower this year after their deficit reduction bill? Or is it going to be higher? It is going to be higher. There is more deficit after their deficit reduction bill of last year. Not only is there more deficit, but there is a whole lot more debt.

Let me say to my colleagues, here is what is happening under our colleagues' fiscal plan. Here is what is happening to the debt of the country. When President Bush came in at the end of his first year—we do not hold him responsible for the first year because that is operating under the previous year's Presidency—at the end of his first year the debt was \$5.8 trillion. At the end of this year, the debt will be \$3.6 trillion. If this budget is adopted, this 5-year budget, at the end of the 5 years the debt will be \$11.8 trillion. And they are talking about deficit reduction? Where? Where is it? Show me. Show me where they are reducing the deficit. This is the debt of the country. The debt is skyrocketing under their plans.

Now the Senator talks about their deficit reduction plan of last year. This is last year. The deficit was \$319 billion, one of the biggest ever. In fact, in the 5 years of this Presidency, he has had—count them—four, when this year is complete, four of the biggest deficits in the history of the country. In dollar terms, the four biggest.

Last year, the deficit was \$319 billion. The Congressional Budget Office says if this budget is agreed to, this year the budget will be \$371 billion based on the President's proposal. Actually, the proposal in the Senate is a little worse, at \$371 billion. Is \$371 billion more of a deficit than \$319 billion or less? This is after their big deficit reduction plan. There is no deficit reduction.

What about going forward? What will happen going forward? Here is what will happen, going forward, to the debt of the country. They say the deficit will go down each and every year of this budget. Well, not quite. The last year they say it blips up a little. They claim the deficit will be going down. But, of course, they have left out some pretty big things. They have left out any war costs past 2007. They have left out any cost to fix the alternative minimum tax passed this year. Over 10 years, that costs \$1 trillion to fix. That is a big item. They have left out the associated interest costs of those items,

which is “other” on the chart. They have also left out the money they are taking from Social Security each and every year of this budget, all of which gets added to the debt, all of which has to be paid back.

So when we add it all up, here is how much the debt is going to grow under the plan before the Senate: In 2007, it will go up \$680 billion. Not the deficit they are talking about of \$319 billion; the debt will go up \$680 billion. The next year it will go up \$656 billion; the next year it will go up \$635 billion; the next year it will go up \$622 billion; the next year it is going up to \$662 billion.

Is there any improvement here? They are talking about deficit reduction, they are talking about their improving the fiscal picture of the country. No, they are not. The debt is going to grow every year by more than \$600 billion. The result is going to be at the end of this period, the debt of our Nation will reach \$11.8 trillion. Now I project at the end of this year it will be \$8.6 trillion. By the way, they are getting ready to increase the debt limit by almost \$800 billion in 1 year. We are going to have that vote this week.

So when they say they are reducing the deficit, it is just talk. There is no reduction in the deficit going on here. In the deficit reduction package they say they had last year, the deficit went up, and the deficit is going up under their deficit reduction package. So let's be straight with people.

Now, my colleague called the economy “stunningly robust.” No, the economy is not stunningly robust. In fact, the unemployment rate just went up. The unemployment rate just went up from 4.7 to 4.8 percent. That is not good news. That is going the wrong way.

But I think of more concern is, if you compare this recovery to the nine previous recoveries since World War II, what you see is this one is far weaker than the average of the nine previous recoveries.

Let's look at what the numbers show. Here is real median household income, as shown on this chart. Now, this would tell us whether the economy is doing well. If this is such a robust economy, why isn't household income going up? It is not going up. It is going down. Real median household income has declined 4 years in a row.

To try to determine what is happening with this economy, we went and looked at all the recoveries since World War II. Here is what we found. On average, at this stage of recovery, the economy would be growing at 3.2 percent a year. That is what we have seen in the previous recoveries: 3.2 percent growth; this recovery: 2.8 percent. It is weaker than the average of the nine previous recoveries.

That is not the only indicator that things are not going as well as we have seen in other recoveries. For the nine other recoveries since World War II, this dotted line on the chart shows business investment. The black line

shows this recovery. It is 62 percent behind the average of the nine previous recoveries.

My colleague just talked about how strong job growth has been. No, job growth has not been strong. We went and looked at the nine previous recoveries since World War II. This dotted red line on the chart shows the average. This black line shows this recovery. And, look, we are 6.6 million private sector jobs short of the typical recovery. So when they say things are going great, that is not what any serious analysis reveals.

What any serious analysis reveals is that this recovery is lagging in a substantial way behind the nine recoveries since World War II. It is lagging in business investment by 62 percent. It is lagging in economic growth—3.2 percent is the average of the nine previous recoveries, and in this period, 2.8 percent. On job creation, we are 6.6 million private sector jobs behind the average of the nine other recoveries since World War II.

But I said this morning the debt is the threat. And here it is, as shown on this chart. Our friends on the other side have been in charge since 2001. This is their record. This is what has happened under their fiscal plan.

The President told us if we adopted his fiscal plan, he would have maximum paydown of the debt. Remember? He was going to virtually eliminate the debt. It has not worked out that way. Not only has there been no reduction in the debt, the debt has skyrocketed, and the debt has gone up approaching—well, with this latest increase that is being sought that they want to vote on this week—the debt under this President will have gone up \$3 trillion. If we adopt this plan, it is going to go up another \$3 trillion.

That is the hard reality of what we see before us. If you love debt, you are going to love this budget plan. Our friends on the other side accuse us of tax and spend. They are guilty of spend and borrow. Borrow and spend, borrow and spend, spend and borrow, borrow and spend, spend and borrow—that is their policy, to drive us deep into debt.

As I showed on the Senate floor, one of the most alarming things is, increasingly, this debt is financed by foreigners. About half of our debt now is held abroad. This morning I showed what an incredible legacy this President is going to leave because it took 42 Presidents 224 years to run up \$1 trillion of external debt, debt held by foreigners. This President has more than doubled that in 5 years. That is truly stunning.

Let me repeat, it took 42 Presidents 224 years—in fact, here is the chart I used this morning that shows it—it took all these Presidents, from George Washington to Bill Clinton—42 Presidents—224 years. Some of them were sons of Virginia. The occupant of the chair is a proud representative of Virginia. They were much more careful with public money than this President.

It took all these Presidents—42 of them—224 years to run up \$1 trillion of external debt. This President has more than doubled it, in fact, substantially more than doubled it, in just 5 years.

Now, as a result of this, we owe Japan over \$700 billion. We owe China over \$250 billion. Here it is, as shown on this chart: Japan; China; the United Kingdom, my favorite; the Caribbean banking centers. We owe the Caribbean banking centers \$111 billion. I sometimes ask audiences back home: Are any of you doing your banking in the Caribbean? I get very few takers on that. Somebody is doing their banking in the Caribbean, and we are borrowing huge amounts of money from them. We owe Taiwan over \$70 billion. We owe South Korea over \$66 billion.

Now, whatever else is going on, No. 1, this fiscal plan is not working as advertised. The President said, very clearly, he was going to have maximum paydown of the debt. The debt is skyrocketing, and when our friends come out here and say, well, they have a deficit-reduction plan, where is it? It certainly is not in this budget that is going to increase the debt over \$3 trillion over the next 5 years.

This year, the deficit, according to the Congressional Budget Office, is going to be bigger than the deficit last year, after our friends came out here and said they had a deficit reduction plan. In fact, they passed it and they labeled it “deficit reduction,” but the deficit is going up, not down. So their deficit reduction plan, like all these other plans they have come out with, has not worked.

The President said he was going to have maximum paydown of the debt. The debt is increasing. They say they have a deficit reduction plan. The deficit is increasing, not being reduced.

And talk about economic recoveries, this is one of the weakest economic recoveries of the nine we have had since World War II. Something is not working. I believe one of the things that is not working is that this pileup of debt is creating an enormous weight on our country. At some point we have to take this on. This budget does not do it. My own belief is, the only way we are going to take this on is to do it together, Democrats and Republicans. Democrats certainly cannot do it. We are in the minority. I do not think Republicans can do it alone because they have proven they are not going to do it. And if they wanted to do it, I do not believe they could do it on their own. I think this is going to take us working together. And the sooner we get together and the sooner we face up to this, the better off our country will be.

I thank the Chair and yield the floor. The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I join in the desire of the Senator from North Dakota to move forward in a bipartisan way.

We could start by approving this budget in a bipartisan way. But independent of that, I agree, we—and we

have talked about this; actually I think we are the only two people talking about this, but we have talked about trying to develop a framework where we could actually address this issue.

But that is a global settlement. I would like to see it done. It is going to have to address Medicare. It is going to have to address Medicaid. It is going to have to address Social Security. It is going to have to address revenues. And it needs to be done sooner rather than later. But it is such a large idea that it is not going to occur this week.

This week, what is going to occur, hopefully, is a step forward in the exercise of disciplining ourselves through budget processing, setting out a blueprint which defines where the Federal Government is going to spend money, how it is going to spend money, and constrains the Federal Government, especially on the discretionary side of the ledger. I would like to have constrained the Federal Government a little bit in its rate of growth on the entitlement side of the ledger, but that is not possible, primarily because I get no votes from the other side of the aisle.

The Senator from North Dakota has made a point of talking about economic statistics relative to what the Bush administration and the Republican leadership have done relative to this economy. His structure and definition of this is, it is sort of dire, this economy. Well, that is hard to accept on its face. This is not a dire economy. In fact, it is a fairly robust economy that has gone through very significant growth now for 5 years.

We have had 17 consecutive quarters of expansion of this economy. That is big, 17 consecutive quarters. We came out of one of the most difficult times, from an economic standpoint, in the history of this country, probably the most difficult time in the postdepression period, when we had the largest bubble in history, the Internet bubble collapse, and when we were attacked and America was at war and found the essence of our economy—Wall Street—basically destroyed in the World Trade attack.

So they were double blows to our economy, and yet we have responded as a government the right way. We cut taxes. We gave people an incentive to go out there and be productive and create jobs. The response has been that people have gone out, risked their capital, taken risks, been entrepreneurs, created small business, and created jobs.

We have had 17 consecutive quarters of expansion of this economy, which is a lot of growth. We had a 3.5-percent rate of growth in 2005. That is higher, as an average, than the 20-year average of the prior 20 years. We are growing at a rate faster than the average over the last 20 years.

Just last month, the Bureau of Labor Statistics announced we created 243,000 new jobs. That is a huge jump in new jobs when you put it in the context of

the fact that for 30 straight months we have been creating new jobs in this economy. Literally, 5 million new jobs have been created in this economy since 2003. It is a result, in large part, of the economic engine created by giving people the right to be investors and entrepreneurs and capitalists and market-oriented, taking risks and creating jobs—5 million new jobs. Do you know how many jobs that is? That is more jobs than was created in Japan and Europe combined. I would point out that Japan and Europe combined have a population which is about half, again, larger than the United States.

So we have had 17 quarters of consecutive growth. We have had 3.5 percent GDP growth, which is above the economic average for the last 20 years. We have had 5 million new jobs created. Just last month, we added 243,000 jobs. Those are pretty good numbers.

Let's put it in the context of the Bush administration versus the Clinton administration.

Real disposable income—which is basically the essence of what you really look at when you are talking about how people's lives are getting better or worse—has increased \$1,905 since President Bush has been in office, which has been for about 5 years, 4½ years.

Under President Clinton, what was the increase? For the last term of his office, the last 4 years when he was in office, during this period, when we were going through this economic bubble, real disposable income only went up \$1,500.

So this President has exceeded the rate of growth, in real disposable income, of the Clinton final 4 years, for which we hear so much about what a great job President Clinton did on the economy. And except for the fact he did not control the bubble, the fact is, the economy did pretty well during his administration.

Real hourly compensation has gone up 8.9 percent during this same period, whereas if you compare it to President Clinton's second term, real hourly wage growth went up only three-tenths of 1 percent.

The rate of growth of a person's actual wages has jumped dramatically in comparison to the Bush years versus the last 4 years of President Clinton. This is true economic growth. It is hard to deny that. You can deny it, you can be pessimistic about it, but the fact is the economy is doing very well, especially in the context of the fact that we are fighting a war on terrorism in the middle of all this, which has been a fairly significant stress on our economy, and that we had the largest natural disaster in the history of our Nation—exceeding even the San Francisco earthquake of 1906—in the Katrina and Rita storms in the Gulf States which essentially wiped out one of the great engines of our economy, the Gulf States, especially in the area of energy production. Still the economy grows.

In fact, interest rates—I remember the Senator from North Dakota mak-

ing a statement, I think it was last year, maybe the year before, saying that interest rates were going to have to go up because the Federal Government was crowding out borrowing—haven't gone up. Interest rates continue basically to be affordable in the context of historical interest rates. Yes, they are off a historic low, but they are still well below what is the historic mean for interest rates.

So the economy is not only not dire, it is rather robust. It is robust in large part because of the fact that we made the right decisions at the beginning of this administration on the issue of tax policy. We gave people an incentive to be productive, an incentive to invest, to take risks, all of which translates into jobs, and jobs translate into more revenue for the Federal Government.

We have gone through the charts of how much the revenue to the Federal Government is jumping as a result of this economic activity. It is a consistent statement made by the Senator from North Dakota that the economy is terrible, but I don't think it is a correct statement.

Furthermore, this budget is obviously not a magic wand. It doesn't have the capacity to say: Eliminate the debt or eliminate the growth of the debt as we fight this war and we face issues of financial pressure. But without this budget, the debt will be significantly larger. In fact, as has been said before, spending will go up if the Democratic proposals that came out of committee are allowed to pass. Taxes will also go up because they propose tax increases. But that will have no impact on the debt. That is a wash, according to their representation. They spend \$120 billion, and they raise taxes \$125 billion or something like that, so they may have gotten \$5 billion over 5 years back for deficit reduction. We usually underestimate the spending in those programs and we usually overestimate the revenue, especially when you are talking about loophole closing. That definitely usually overestimates revenue. So I suspect we would have found the debt would have increased, too.

But giving them the benefit of the doubt, there is no initiative here on the floor—and there was no initiative in committee—which significantly addresses the debt other than the budget that is before us which puts a hard freeze on nondefense discretionary spending. That addresses the debt. That means that next year you will add less to the deficit than you would have if you didn't have that hard freeze. It is not a big number in the context of the overall issue, but it is a big number by New Hampshire standards. It represents billions of dollars which will not be added to the deficit and therefore not added to the debt. That is a positive.

I yield the floor.

THE PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from New Hampshire has very

ably used the oldest debate tactic known to man, which is the straw man argument. He suggested I have said that the economy is terrible. Those are not my words. I have not described the economy as terrible. I have described the economy as not performing as well as it has in other recoveries since World War II.

Let me repeat: Real median household income has declined 4 straight years. That is not a sign of economic strength; that is a sign of economic weakness. The economic growth in this recovery has substantially lagged the economic growth we saw in the other nine recoveries since World War II. In the other recoveries since World War II, economic growth averaged 3.2 percent. In this recovery, it is averaging 2.8 percent.

On business investment, this dotted line is the average of nine previous recessions. This recovery is the black line. It is 62 percent behind what we have seen in the other nine recoveries since World War II. That is also true of job creation. The red dotted line is job creation and the average of nine recessions since World War II. The black line is this recovery, 6.6 million private sector jobs behind.

The most dramatic result is this: This is how our friends have propped up the economy. They have done it by running up the biggest debt in the history of America. Their proposal in this budget is to keep on doing it, more debt on top of debt that is already at record levels. When this President came in, at the end of his first year the debt was \$5.8 trillion. At the end of this year, it will be \$8.6 trillion, headed for \$11.8 trillion if this budget is adopted. That is the wrong course for America. It is a mistake, and we will regret it deeply if we allow this to go forward. That is why this budget ought to be defeated. Only if this budget is defeated are we going to have a chance to change course and get America on a firmer fiscal footing.

I yield the floor.

AMENDMENT NO. 3002

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. 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 New Hampshire [Mr. GREGG] proposes an amendment numbered 3002.

Mr. GREGG. 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 make technical and conforming amendments)

On page 3, line 11, strike "\$1,694,445,000,000" and insert "\$1,694,455,000,000".

On page 3, line 23, strike "reduced" and insert "changed".

On page 21, line 3, strike "\$441,150,000,000" and insert "\$411,150,000,000".

On page 28, line 15, after "000" insert ",000".

On page 28, line 16, after "000" insert ",000".

On page 29, line 18, strike "by \$0 for fiscal year 2007 and".

On page 42, strike beginning with line 11 and all that follows through page 43, line 4, and insert the following:

**SEC. 311. DEFICIT-NEUTRAL RESERVE FUND FOR CHRONIC CARE CASE MANAGEMENT.**

If the Senate Committee on Finance reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that would provide \$1,750,000,000 to the Centers for Medicare and Medicaid Services (CMS) to create a demonstration project or program that assigns a case manager to coordinate the care of chronically-ill and other high-cost Medicare beneficiaries in traditional fee-for-service Medicare, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels and limits in this resolution by the amount provided in such measure for that purpose, provided that such legislation would not increase the deficit for the period of fiscal years 2007 through 2011.

Mr. GREGG. This is an amendment to make corrections to the resolution so it conforms to the resolution as ordered reported by the committee. It has been agreed to by both sides. I ask unanimous consent that it be agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, reserving the right to object—I certainly will not object—this is something both sides are in complete agreement on. I ask my colleagues to understand that this is a technical matter to make certain that the resolution conforms to what was done in committee.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to amendment No. 3002.

The amendment (No. 3002) was agreed to.

Mr. GREGG. 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. CONRAD. I see the Senator from Massachusetts seeking recognition. I yield the Senator 20 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I thank our friend and colleague from North Dakota for his leadership on this issue. I hope that those who have had the chance to listen to opening debate will pay close attention over the next 4 days. This is an enormously important document we are debating. It is an indication of a nation's priorities. It is important that we listen with care to the discussion.

Money isn't everything, but it is a measure of a nation's priorities. Budgets are moral documents. They represent who we are and what we value.

Just 6 weeks ago, the President delivered a State of the Union Address that gave hope to many of us in Congress for a budget that meets the needs of the American people. The President told us that night that a hopeful society comes to the aid of fellow citizens in times of suffering and emergency and stays at it until they are back on their feet. But the budget before us tells a different story. It fails to meet the security needs of Americans who are looking for real security in the face of terrorism.

We have seen the failed response to Hurricane Katrina, the failure in Iraq, a failing grade from the 9/11 Commission, failure on the security of our ports, failure in curbing nuclear power in Iran and North Korea, failure after failure when it comes to our national security. But you would never know it from this budget. Does it prepare us for the next disaster? Does it support a winning strategy in Iraq? Does it fully invest in the recommendations of the 9/11 Commission? Does it secure our ports and inspect every shipping container crossing our shore? When it comes to nuclear weapons, does it provide the resources needed for real non-proliferation? The answer to each one of these questions is no. The administration and the Republicans may talk about national security, but the real record is one of mistake and failure.

This budget is a failure, too, when it comes to meeting the needs of our families here at home. When it comes to healing the sick, feeding the hungry, caring for the poor, the elderly, or the disabled, this budget falls short. When it comes to strengthening our economy, opening the doors of opportunity, creating new jobs, and equipping America to compete in the global economy, this budget again falls short. Instead, it cuts vital programs on which people rely and offers even more tax cuts to the wealthy.

Franklin Roosevelt had it right: The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little. This budget does none of that. Countless families are facing serious problems. They are being hit on all sides with higher health costs, higher heating costs, higher college costs, higher gas prices. Their jobs and pensions are in danger. Their savings are at an all-time low. They are caught in a prescription drug nightmare because of a bill that put the drug industry and the insurance industry ahead of patients.

These are hard-working men and women who play by the rules and take care of their families, but this budget lets them down. Instead of investing in education, it cuts school programs. Instead of helping the elderly with their heating bills, it slashes funding for low-income heating programs. Instead of training workers for new jobs, it eliminates job training and vocational education programs. Instead of helping

our young people afford college, it cuts college aid. But it provides for \$1.7 trillion in tax cuts over 10 years. Those are the wrong priorities for America. Compare that to the recent cuts to Medicaid. Compare that with the \$379 million cut in heating assistance for the poor. Compare that with the cuts to education. Compare that with the \$456 million needed to help disadvantaged high school students reach college under the TRIO, Upward Bound, or Talent Search Programs.

Yes, a budget is a statement of priorities, and we have seen where this administration's priorities are on health. The Medicaid Program is key to promoting a real culture of life in America. Medicaid provides care to a third of all mothers giving birth, including the prenatal, pediatric care their children need to be healthy.

Mere hours after the President declared in the State of the Union Address that the Government would meet its responsibility to provide health care for the poor and elderly, the President signed a bill to impose draconian cuts on the Medicaid Program. According to the Congressional Budget Office, that bill will cause 45,000 poor Americans to lose coverage over the next 5 years, and 65,000 will lose coverage within 10 years, and 60 percent of those losing coverage will be children.

In Maryland, a quarter of families subject to increased premiums disenrolled. In Oregon, higher costs caused disenrollment, and 67 percent of those who disenrolled became uninsured. Because of these Medicaid cuts, 13 million Medicaid beneficiaries will have to pay more for their prescriptions over the next 5 years, and 20 million will have to pay more over the next 10 years.

When copayments rise for the poorest patients, health declines. A study in the *Journal of the American Medical Association* shows that increased copayments for medications for poor families caused an 88-percent increase in adverse events, such as heart attacks and strokes, and caused a 78-percent increase in emergency room visits.

This is what happens. If you cut back on providing assistance with copays for individuals who otherwise would be eligible, we are finding out, you end up paying a great deal more out of the health care budget, in addition to increasing the pain, anxiety and difficulties these families are facing.

A single mother with two children who makes \$8 an hour currently pays \$3 when she visits the doctor and does not have any cost sharing when her children go to the pediatrician. Under the new law, when her child goes to the pediatrician with an ear infection, she may be charged \$20. When she goes to a doctor for treatment and a test for diabetes, she will pay \$50. She may have to pay as much as \$832 a year.

A single mother with two children earning \$25,000 now pays no premiums or cost sharing for a child's medical

care and pays \$3 copayments for herself. Under the new law, she will now be charged monthly premiums for Medicaid coverage for herself and her children. Even if she manages to pay the premiums, she may have to pay \$40 for a visit to the pediatrician, and she will have to pay as much as \$1,250 a year for Medicaid.

Do you know what happens? Those parents, when they have that sick child who has the ear infection or has that cough, are thinking: Is this child \$40 sick or \$50 sick? Or if I go to the emergency room, is this child \$125 sick? Is my child \$125 sick? I think I will wait tonight. Sure, they are coughing, and sure they are in pain, sure they are suffering, but I am working at a low paying job, and I have to make the decision about whether I can afford care.

For a single mother of two earning the minimum wage, the new Medicaid law imposes additional cost sharing on her children. They would now face copayments for certain prescription drugs, and these copayments would, for the first time, be indexed to the rate of medical inflation, which is higher than the general inflation. And on minimum wage, her income would not even keep up with general inflation since the minimum wage has not been increased since 1997.

To add to these damaging reductions, the President's budget proposes another \$14 billion in reductions to Medicaid. The Senate budget resolution has not adopted these serious cuts, but time and again, we have seen how the House-Senate conferees follow the administration's proposal rather than the Senate's measure.

The President's budget proposes \$36 billion in Medicare cuts over the next 5 years and \$105 billion over the next 10 years. This means higher premiums for seniors and the disabled and will result in reductions of quality of care at hospitals and home health agencies.

In Massachusetts, President Bush's Medicare proposal will mean that our hospitals will have to cut their budgets by more than \$400 million, home health agencies by \$50 million, and nursing homes by \$150 million.

Again, the Senate resolution has not adopted these reductions, but we know where the conference report is likely to end up.

In addition, the budget resolution includes a deeply troubling procedural barrier to fixing the problems in the Medicare drug program. The Republican budget effectively torpedoes any sensible measure to improve the benefit provided to seniors by requiring any such improvements to overcome a point of order.

The budget resolution has adopted major reductions to public health programs. Under these reductions, Massachusetts would lose millions of dollars for programs that protect the health and safety of our people. That cut means 17 rape crisis centers across our State will face significant financial hardship, and our programs on violence

prevention and suicide would effectively be eliminated.

The cuts mean that programs to keep our children healthy would be eliminated. Programs to screen newborns as early as possible for hearing loss would be eliminated and so would our State oral health program. That means 59,000 children would not get basic dental screening, and over 35 programs that train health care providers to deliver care in underserved areas and support diversity and proficiency in health care would be eliminated.

Although we are living with the threat of natural and manmade disasters, the proposed cuts would compromise our emergency medical services and impair the system's ability to function as a safety net for catastrophe.

Under the chairman's budget, NIH funding will barely keep up with inflation. Last year's budget was cut so our medical research programs are still suffering setbacks. Over the last 2 years, the NIH budget has increased by an average of 1 percent per year. Not since 1970 has the NIH been so consistently underfunded. If the NIH budget were simply to keep up with inflation since 2005, we will have to increase the budget by another \$1.8 billion.

This chart indicates the Bush administration cuts to vital NIH research. We see the important increases during early 2000, 2001, 2002, and 2003. Then we see dramatic reductions. Under the President's budget, the NIH budget would be flat for the second year in a row. That hasn't happened in more than half a century.

This is the century of the life sciences. With all that we know about the slicing of the gene, DNA, and all the possibilities of stem cell research, most researchers believe that the opportunities to make enormous progress on the diseases which affect every family, whether it is cancer, Alzheimer's, or heart disease, are immeasurable. But we are not going to have those promises fulfilled if we see the kinds of reductions that we have seen in this budget.

We hear a great deal about the challenges we are facing to compete internationally. We are told we need to be an innovative society, and an innovative society needs innovative life sciences. That is certainly an area of enormous possibility if we are going to provide resources for the basic research. But, no, we are cutting back in these extremely important areas. These are the areas in which we are cutting back: We have seen reductions in the Cancer Institute, a reduction in the Heart, Lung, and Blood Institute, reductions in research in diabetes and kidney diseases. We know that \$1 out of \$4 spent under Medicare are spent on diabetics; \$1 out of \$10 in the general health area are spent on diabetics.

When we make breakthroughs in the diabetes treatments, we are going to see an enormous change for the people who are affected by this disease, and

we are going to have an enormous impact in terms of total health care costs. But we are cutting back on those areas of research and we are cutting back on mental health and cutting back on child health and development. 18 of the 19 NIH institutes will suffer cuts compared to the rate of inflation, which means that NIH will fall behind in the race for new cures.

I don't believe those are America's priorities, but they are the priorities of this President, and we are going to find out if they are the priorities of this Senate.

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

The PRESIDING OFFICER. The Senator has approximately 4½ minutes remaining.

Mr. KENNEDY. Mr. President, I want to address the issue of education. This budget also fails to make education a priority. In this shrinking world, education is an even greater priority than ever before, and our budget should reflect that.

As a nation, we must invest in Americans by ensuring access to the highest quality educational opportunities. We need to have the best educated, the best trained, the most sophisticated individuals, and we need to nourish the capacities of every person in the Nation.

Yet the President's budget has proposed the biggest cut to education in the 26-year history of the Department of Education.

Here is what we have seen on the No Child Left Behind Act—I will have an opportunity in the debate to go through this in greater detail—but the commitment to No Child Left Behind, an Act signed into law by the President, is to take every child who is not up to proficiency and to make sure they are going to have the support systems to get them up to proficiency—smaller class sizes, better trained teachers, supplementary services, and greater involvement of parents in these various programs.

However, what we have seen is that we are not living up to that commitment—instead, we are leaving children behind because of inadequate funding. This year alone, 3.5 million to 4 million of the nation's students will be left behind.

We are seeing now under the current program that 29 States are going to lose Title I funding, which are funds for the schools in greatest need. Under this budget, there are going to be some 29 States, including the State of Virginia, that are going to lose funding.

Many of the programs that the President has slated for elimination—GEAR UP, TRIO Upward Bound and Talent Search—have been incredibly successful in terms of providing students who might not have had the opportunity to continue their education with the support they need to do so. In the TRIO Upward Bound program we find that when measured against students of similar backgrounds, nearly 70 percent

of the students who participate in these programs go on to higher education. If we take a similar review of the students who don't participate, only about 54 percent of them attend college.

Now let's look at what is happening in higher education. This chart shows the cost of attendance at a 4-year public college versus the maximum Pell grant. In 2001, we look at the gap between the cost of going to a 4-year public college, and we look at it today, and we see how this gap has grown to about 8,000 dollars. We have about 400,000 young Americans who would be able to go to college and who want go to college, who have the intellectual ability to go to college, but who just cannot afford it. And those numbers are increasing dramatically over time.

At an appropriate time, I intend to offer an amendment, hopefully with my colleague Senator MENENDEZ and others, that will increase the maximum Pell grant from \$4,050 to \$4,500, restore the eliminations of TRIO, GEAR UP, the LEAP program, and Perkins loans, and further increases the funding for all student aid programs, including what they call the SEOG, work study and graduate education, and restores cuts in vocational education and job training programs.

The cuts in the job training program make no sense whatsoever. We have 73,000 jobs that are going begging in my State of Massachusetts. We have 156,000 people who are looking for jobs. What is missing is the connection between the training of those people who want the jobs and the jobs that are there, and in this particular budget, we are cutting those training programs, cutting the education programs, cutting the training programs, and even reducing the title I programs that are so essential.

The PRESIDING OFFICER. The Senator has used 20 minutes.

Mr. KENNEDY. Mr. President, I thank the Chair, and I suggest the absence of a quorum.

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

The assistant 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.

Mr. CONRAD. Mr. President, how much additional time does the Senator need?

Mr. KENNEDY. An additional 4 minutes.

Mr. CONRAD. I yield an additional 4 minutes to the Senator from Massachusetts on the resolution.

Mr. KENNEDY. Mr. President, please let me know when I have 30 seconds left.

At some time, we will have an opportunity to see the Senate vote for an increase in the areas of education, offset by closing a loophole that has been accepted here in the Senate by 80 votes or

more that are available out there at the present time.

As many of us have seen, in a recent report, it was stated that about 650,000 engineers will graduate from China this year. There will be 330,000 engineers graduating from India, and 72,000 engineers from the United States—and half of those are foreign students. We are falling further and further behind. We are not talking just about outsourcing, we are talking about outsourcing basic research. When we find IBM opening up their new research centers in Bangalore, Intel opening up their new research centers abroad, hiring 2,500 engineers over there, we have to ask: Where are we here in the United States? Are we giving the appropriate kinds of support for students to continue their education?

We have seen the request and the statements that have been made in a bipartisan way by Senator ALEXANDER and Senator BINGAMAN, the reports of the Academy of Engineers, the National Academy of Sciences, all of which say that we need to respond here in the United States the way we responded at the time the Russians sent up Sputnik, and that is to have a major investment in the young people of this country.

Yes, we can give focus and attention just narrowly to math and science, and certainly we ought to provide that, but in order to really meet the challenge we are facing because of globalization, we have to make sure we have the best trained, best educated young people and that they are ready to meet these challenges. We need to equip every single American with the ability to compete and succeed, and we need to equip our country to be able to deal with globalization and ensure that we are well-educated, that we will be an innovative economy, and that we will provide innovative research. And when we have an innovative economy, we will have an innovative defense.

This is a matter of national security. This is a matter of national security and national defense, making sure that we are going to be at the cutting edge of all of the research that is possible over a period of years. That is going to be the issue in question on which we will have an opportunity to vote during the course of this debate and discussion, and I look forward to the opportunity to do so.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I say to colleagues on our side of the aisle, what we are attempting to do is change

the way we handle the budget debate this year and to do it in a way that will have more of the votes occur before the vote-athon on Thursday night. That is what Senator GREGG and I are attempting to accomplish. It is going to take cooperation.

What we are doing with our colleagues now, we have agreed on the first six amendments to be debated and the time for each. What we are asking our colleagues to do is agree to exchange time for certainty—certainty of when their amendment would be considered, certainty for the amount of time they would have but less time than they could have under the rules. People can disagree and they can say: No, we won't agree to that. If they don't agree, we are going to be right back in the soup, and we will be here until the wee hours Thursday. We don't think that is the best way to debate this issue. We don't think that is the best way for colleagues, all of our colleagues, to have the best chance of having their amendments considered.

So I am sending this message out to colleagues: If we work together, I think we can improve this budget debate process and have a whole series of votes tomorrow afternoon that we won't then have to have Thursday and do it again the next day and do it again the next day. That is what we are asking colleagues to do.

Mr. President, would 20 minutes be sufficient for the Senator from North Dakota?

Mr. DORGAN. Twenty minutes, yes.

Mr. CONRAD. Mr. President, I yield 20 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I have enjoyed the debate, the discussions today, and I have watched some of it from my office. The budget is a discussion about this country's value systems. It is very simple. I have mentioned many times on the floor the proposition that if someone asked you to write an obituary for someone you had never met but who had died and the only information you had about that person was their check register, what would you write? Well, you would write a little something about what that person felt were his priorities in life, what was his or her value system. What did they invest in? What did they spend money on? That would represent their value system. That is what you would tell about that deceased person you never met.

One hundred years from now, we will all be dead. Historians will be able to look back at this moment and say: What were our values? What was our value system? By looking at the Federal budget, they will say: Here is what the United States held dear; here is what they invested in; here is what their priorities and their values were.

Now, because this budget represents a set of priorities and values, it is important to take a look at the first step in the budget process, and that is the budget sent to us by President.

I recall, in the year 2001, the debate on the floor of the Senate about the President's fiscal policy. This President came to town at the time when we had a very large budget surplus for the first time in many decades, and were predicting surpluses in future years.

This President said: Let's give away this future surplus. This money doesn't belong to the Government; it belongs to the taxpayers.

Some of us said: Well, we don't have that surplus yet. Yes, the year that we are in is a surplus, but we don't have the next 10 years as a surplus. What if something should happen? Maybe we should be a little conservative.

The President said: No, don't worry about being conservative. Let's give back money we don't have but are expected to have because experts tell us we will have a big surplus during the next 10 years.

So the President got his way and gave very large tax cuts. The most significant amount went to the wealthiest Americans. And those large tax cuts which now eat quite a hole in our revenue stream for this Government turned out to be tax cuts, cutting revenue at the time when we hit a recession some months later, the 9/11 attacks in 2005, about 9 months, 8 months later; then we had the war on terrorism, the war in Iraq. So these large budget surpluses turned into very large budget deficits.

My colleague, Senator CONRAD, has described with this chart where this administration will take us. This doesn't take an advanced degree from Wharton School of Economics to understand. All you have to do is look at this red ink and evaluate where this fiscal policy is taking America.

I believe both political parties have contributed mightily to this country. These are political parties, Democrats and Republicans, that have a grand tradition of offering good ideas to America.

One of the things you used to be able to count on the Republicans for was fiscal policy. The caricature was that they wore wire-rimmed glasses and gray suits, they looked like they just swallowed a lemon, and you could always count on them saying: We demand a balanced budget; we demand a fiscal policy that adds up for the good and for the wealth and for this country's future. There is no such thing as those conservative Republicans anymore. There is a Republican in the White House, and Republicans in the U.S. House and U.S. Senate who have a completely different fiscal policy. It is a fiscal policy that steps us up year after year after year after year toward greater debt.

I told you, things didn't turn out quite the way the President suggested. He got his way here in the Congress because he had the votes to get his way. So we have a fiscal policy that cut taxes mostly for the wealthy—a few crumbs for the rest but mostly tax cuts for the wealthy—and increased spend-

ing, especially relating to the aftermath of 9/11 and the war in Iraq. We had the Emergency Terrorism Response Supplemental Appropriations Act and DOD Appropriations Act, \$17.6 billion added to that as an emergency in the fiscal year 2002; emergency supplemental, \$13.6 billion, 2002; emergency supplemental, \$65.9 billion, 2003; emergency supplemental, \$85 billion, 2004. I could go on and on. Over \$400 billion sent to us by this President as an emergency request passed by the Congress, none of it paid for, all of it piled right on our children's debt which they will pay for at some point in the future.

Now, did Congress vote for this? Sure. Is anybody going to say: Let's send our troops, but let's not provide the equipment they need? No, I don't think so. I think most of us have the same view on that. You send troops to go into harm's way, then you have a responsibility to provide the things they need to do their job. But shouldn't there be some requests of the rest of the American people—not just the troops but the rest of the American people—to weigh in here and to help pay for some of these things? If we are going to ask that it be spent in support of the troops, shouldn't we ask that it also be paid for?

As I said, we have a fiscal policy that is out of balance, out of control, and we need to put it back on track. Let me describe what is happening with some of this emergency money. It is the case that we have been hit with a lot of things: a recession back in 2001—and no, President Bush didn't inherit a recession. Let's set the facts straight, if we can. The recession that began on this President's watch, then 9/11, and then a series of others things, including Hurricane Katrina.

Not only do we have a fiscal policy that is completely and thoroughly out of whack, adding debt after debt after debt to our children year after year, we also have a sea of incompetence almost never before seen. Let me describe that with respect to Hurricane Katrina.

This is a picture of Paul Mullinax. Do you see Paul there? He has a portable radio, he has a couple of bottles of water, it looks like maybe he has some chips, and I think this is a little stove.

Paul is a really interesting guy. I met him, actually. He is an independent truck driver from Florida. As you see, he is sitting out in front of his truck. This is Paul's truck. He was sitting with a long line of trucks, and that picture was taken on a base, Maxwell Air Force base in Montgomery, AL. There were 100 refrigerated trucks at Montgomery, AL.

Mr. Mullinax was instructed by FEMA, in the post-Katrina Hurricane period, to take a truckload of ice from Newburgh, NY, to Montgomery, AL. Actually they said take it to Carthage, MO, first so he picked up the ice at Newburgh, NY, and then he went to Carthage, MO, and the minute he got there they told him you need to go to

Maxwell Air Force Base in Montgomery, AL, so he got there.

Then Mr. Mullinax sat there in front of his refrigerator truck for 12 days with 100 other refrigerator trucks that were also hauling ice. The victims of Katrina desperately needed this ice, but it just sat there at an Air Force base in Alabama.

So here was Paul, a Florida trucker who hauled the ice to Missouri, then was told you need to go to Alabama, and with 100 other truckers, Paul sat in front of his truck for 12 days. Then he was told by FEMA, you need to take this ice to Massachusetts. You think I am kidding. I hear someone giggling about that. The folks who were the victims of Katrina needed the ice but he was told by FEMA to deliver it to Gloucester, MA, and so he did. I don't know what happened to the other trucks. There were 100 trucks lined up there.

It cost \$15,000 to have the American taxpayers have Paul pick up ice in New York and deliver it to Massachusetts by way of Carthage, MO, and Maxwell Air Force Base, AL. In the meantime, the victims of Hurricane Katrina could not get any ice. So Paul sat. Then he went to Massachusetts to offload his ice. One load of ice, and there were hundreds and hundreds of such trucks—and just one load of ice cost \$15,000, and was hauled from New York ultimately to Massachusetts.

A Mississippi sheriff, in the middle of all this, got so frustrated with the ice truck fiasco that he ended up commandeering 2 trucks full of ice and sending them directly to the relief centers for Hurricane Katrina. Sheriff Billy McGee saw trucks sitting at a staging area in Camp Shelby, MS, so he ordered two of the trucks to be sent to Brooklyn and Sheeplow, MS, and a National Guard man tried to stop the sheriff from re-routting these two trucks. The sheriff had the guardsman arrested and got the trucks where they were to be offloaded for the victims, and now the sheriff is being prosecuted for a misdemeanor.

Why do I tell you all this? Because we are spending a massive amount of money with parts of a Government that are fundamentally incompetent.

It is almost unbelievable to see the way some of this money is wasted. I think a lot of people take a look at the Federal Government and they say there is a lot of waste, and I agree with that. We ought to tighten our belts. We ought to get rid of some of this waste.

But there are lots of programs that are vitally important, and that deserve funding. This includes, for instance, health programs for people who live in rural areas of America. The President doesn't distinguish between good spending and bad spending. The President doesn't do that. He says my biggest priority is to preserve a 15-percent tax rate on capital gains and, oh, by the way, everything else can go by the wayside to pay for it.

So the community service block grant—it doesn't matter, we can get

rid of that if we want to. Rural health, we can get rid of that. All these issues are less important to this administration than the issue of preserving the 15-percent tax rate on capital gains. That is a fact.

I have worked with Senator CONRAD for many years. We both come from the same State. There is nobody better prepared on the floor of the Senate to make the case on thoughtful and solid budgeting than Senator CONRAD. He understands common sense, understands the numbers.

I see another of my colleagues volunteering for recognition here—and I will say that the chairman of the committee and the ranking member of the committee have had an impossible job.

Trying to make sense of the budget sent to us by this administration is like trying to connect two ends of two plates of spaghetti. It is impossible. It cannot work because this is a budget that does not add up under any set of circumstances.

Social services, that is the money that goes in grants and direct appropriations to both agencies and non-profits to help people around this country—they are the ones that take a hit in many of these areas. I held a meeting with social service groups and non-profits in North Dakota and asked them about this budget. They told me about the people who are going to get hurt as a result of this. None of those people serve here in this Chamber. They are just people who try to make a living every day or try to exist in retirement with little income.

One of the stories that was interesting to me was a nonprofit group which the day before had an 81-year-old woman show up applying for a job. This is a group that helps people get work. The 81-year-old woman wanted a job. Why? Because she lost her last job. What was her last job, at 81 years old? Cleaning office buildings at 1 a.m. Go in at 1 in the morning and clean office buildings at age 81. The company downsized a little bit and she lost her job and now she wants another job. Why? Because her payment under Social Security was \$170 a month. That is what she was left with. So she has to work at 81.

Should this budget reflect the needs of this woman who is cleaning buildings at 1 in the morning at age 81? Sure it should. There are a lot of people in this country who are vulnerable, who are in difficulty, who understand they need some help. A good budget, a thoughtful budget reaches out to those folks to say here is a helping hand. We want to help you up. This budget doesn't do that.

This budget offers a helping hand only to the rich. In fact, every budget since 2001 has been a budget that says let's give a helping hand—to those who have much. That is the way the budget has been working. It is unbelievable.

I want to put up another picture. I have used this a fair number of times. I do it because a budget is about how

much revenue do you have and how much spending are you going to have. Let me tell you why we don't have enough revenue, and why the President wants to cut funding for key programs, especially program cuts that will hurt the most vulnerable in our country.

This is a nice picture of something called the Ugland House. It is a five-story white building on Church Street in the Cayman Islands. According to David Evans, an enterprising reporter who did the story about this building, this building houses 12,748 companies. The companies are not all there in person. I am not suggesting that. But this is the official home in the Cayman Islands, on Church Street, for 12,748 companies.

Do you know why? It is their mailing address. They need a formal mailing address in a tax haven country so they can run their income through a tax haven country and avoid paying the taxes they would owe to the United States of America.

This goes on, getting worse. Is anybody talking about cutting that? No, not really. In fact, this issue of cutting taxes for those who are the most well off in America is not abating at all. This administration believes its highest priority is to retain that 15 percent.

Interestingly enough, we don't have enough money for community development block grants, rural health, the Byrne grants and so on, but last year there was enough money in this Chamber to decide that these companies and many more should get a 5.25-percent tax rate. That is right, 5.25-percent tax rate on money they repatriate from abroad. The expectation was they were going to pay a 35-percent tax rate. That was the statutory rate. But we said—I didn't vote for it—but we said as a Congress, we want to be generous so all of those big companies with standard brands out there you would recognize, they want to repatriate \$30 billion worth of income, bring it back to this country. Did they pay 10-percent income taxes on it as most people would at the lowest income Americans? No, they didn't. Fifteen percent or 25 percent or 30? No, they didn't pay any of that. They paid 5.25 percent. They saved \$102 to \$104 billion.

This Senate had enough resources to decide we want to give the biggest interests of this country a \$102 billion tax break by allowing them to pay a 5.25-percent tax rate but now we say we are out of money, we can't afford to deal with those ends of the spending side that affect the most vulnerable in our country.

I think those are very strange priorities. There is much to be said about this budget. I am mindful, also, that it is easier to criticize than it is to propose. I think it was Mark Twain who was once asked if he would be engaged in a debate and said, Of course, as long as I can take the negative side. They said, We haven't told you the subject. He said, It doesn't matter, the negative side takes no preparation.

This takes even less than no preparation, to look at this budget and look at what this is doing to America and understand that this is to fiscal policy like mud wrestling is to the performing arts. This is an abysmal failure that is dragging this country down, down, down into deeper debt. The question I think most people would ask—they certainly ask those who propose this from the White House, and those who construct it here, is do you believe adding additional debt is a move toward greater sensibility in fiscal policy?

The answer has to be no.

I have a whole series of recommendations on where we should cut funding. I will not go over them at the moment and I will be happy to come back at some point. I would start with programs such as TV Marti. We actually spend money—we bought a new airplane last year to send television signals to Cubans that they can't see. We have spent close to \$200 million on that program. It ought to be shut off immediately, but we can't do it because too many of the Members of the Senate keep voting for it. Why? Because of Florida. Why? Because of politics.

That is for another day. I have a whole series of recommendations. These are areas where we can and should cut Federal spending. I think we ought to. We ought to begin collecting revenues from companies that have been generously provided tax breaks from the Senate and our colleagues in the House, pushed by this President. We ought to get our fiscal house in order.

As I started, I said I watched some of this debate today. This is very important. This establishes some of the priorities for this Congress and I hope finally this year we might get them right.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota, Senator CONRAD.

Mr. CONRAD. Mr. President, I thank my colleague, the Senator from North Dakota, for his comments and for his insights. I especially like his picture of the building in the Cayman Islands that is the home to more than 12,700 companies. Why is it their home? Because they are engaged in a giant tax dodge, that is why. What they are doing is acting as though they are doing business in the Cayman Islands so they can show their profits in the Cayman Islands, because the Cayman Islands do not have any taxes. What these companies are doing, many of them are operating in the United States where they earn their money, but they don't show their profits here. They have a series of subsidiaries and they show the profits of the subsidiaries in the Cayman Islands so they avoid their taxes here. That is what is going on. It is a giant scam. That is not the only scam. There are all kinds of scams going on.

One of perhaps the most remarkable scams is that companies in the United

States are buying sewer systems of cities in Europe and depreciating them on their books in the United States to reduce their tax burden here. Then they lease back the sewer systems to the cities in Europe that are actually using them. If that isn't an outrageous scam, I don't know what is. They are not just doing it with sewer systems, they are doing it with metro systems, they are doing it with all kinds of public infrastructure. That should not be permitted. Some say if you shut that down you are increasing taxes. I don't think so. I think you are collecting taxes that were legitimately owed in the first place and you are stopping a scam. That is what we did in the Budget Committee. When we offered additional spending—and we did, we offered \$126 billion of additional spending and \$104 billion of it was one amendment.

Some might say, there the Democrats go again, spending money. What were we spending money on? What was that amendment about? I will tell you what it was about. It was to make the assistance for veterans in this country mandatory, not discretionary. I think people will be surprised to find out that the way our budget is devised, support for our veterans is considered discretionary. Medicare is considered mandatory, Social Security is considered mandatory, but aid to our Nation's veterans is considered to be discretionary.

We thought that was not right so we proposed switching aid to veterans from discretionary accounts to mandatory accounts because we think that is what the American people intend. I don't think they think it is a discretionary matter, to provide assistance to young men and women who have been fighting for us in Afghanistan and Iraq. So we proposed putting that on the mandatory side of the budget. That shows up as a cost—\$104 billion. We offset it by proposing closing tax loopholes in the tax gap.

The tax gap is now running at \$350 billion a year. The difference between what is owed and what is being paid is \$350 billion a year, according to the testimony of the Revenue Commissioner of this administration. He said it before the Senate Budget Committee, and he said we could capture \$50 billion to \$100 billion a year without fundamentally changing the relationship of taxpayers to the Revenue Service. We should do that.

Some say that is a tax increase. I don't think that is a tax increase; I think that is collecting taxes that are already due and owed but aren't being paid. If we are not going to start insisting that everybody pays, we are just going to run a system where some pay, then shame on us, shame on the system. That is unfair to the vast majority of people who are paying what they owe. The vast majority of people and the vast majority of companies pay what they owe, but unfortunately we have an increasing number of people and an increasing number of companies that aren't. That is unfair to all the

rest of us, and it is dramatically increasing the debt of our country at the worst possible time.

Mr. DORGAN. Mr. President, will the Senator yield for a question?

Mr. CONRAD. I would be happy to yield.

Mr. DORGAN. Mr. President, there are two other issues that relate to a tax hike, because a budget is about how much revenue you have coming in and how much you are preparing to spend. I mentioned this little Christmas gift—it is not really little—\$102 billion given by the Congress to companies that had parked income overseas but were anticipating having to repatriate to this country and pay a 35-percent corporate tax rate. This Congress and the President felt: Gee, we probably should—maybe I should not include the President so much; it was more the Congress decided that we really ought to give those corporations a 5¼-percent tax rate or a \$102 billion tax break. So the Congress did, and not with Senator CONRAD's vote nor my vote, but nonetheless the Congress did that. About \$330 billion was repatriated.

Very quickly, we learned that the pharmaceutical industry repatriated at the early stages—I am not sure what the final stage was—\$75 billion which they earned abroad. The interesting thing was the pharmaceutical industry said: We charge the highest prices to American consumers because we don't make money elsewhere. We have to charge lower prices in other countries because we are prevented from charging higher prices. Now we discover they were making a lot of money overseas because given the chance to pay a 5¼-percent tax rate, when they repatriated it, they repatriated a bunch of money they earned overseas at lower prices for the same prescription drugs. We not only saw the taxpayers short shrifted by the highest prices in the world, but now we see the drug companies getting \$75 billion of their income being taxed at 5¼ percent.

If I might make one additional point, we also have a provision in tax law which says to companies: Shut down your plant in America, fire your workers, move it to China, and we will give you a tax cut. And by the way, the Joint Tax Committee says that is worth \$1.2 billion a year or \$12 billion in 10 years. So we will spend \$12 billion in the next 10 years giving tax cuts to companies that shut their American plants, fire their American workers, and move their jobs overseas. If there is any perversity in this Congress, it is those who refuse to be willing to shut down that kind of a tax break. We have had four votes on it. I have offered it four times. We have lost all four times. And on four occasions, people stood up here in the Senate and supported a tax break to companies that would ship their jobs overseas. It is almost unbelievable.

The reason I mention this is that in the case of putting together a budget,

you ought to be able to at least shut down those drains on the revenue side that run against the public interest in this country. Is it in the public interest to pay those companies to shut down their American plants and fire their workers? I don't think so. Certainly it is not. It is just nuts for the Congress to be saying: Let us reward that behavior. And that is exactly what is happening this year to the tune of \$1.2 billion.

I say to my colleague from North Dakota that there are many areas in revenue where we would try to plug a drain on our revenue, and the other side will say: You are increasing taxes. Yes. I am increasing taxes for those who aren't paying, for God's sake.

Maybe somebody camped out in the Uglund House, an official address in the Cayman Islands, with a lawyer camped out, so they can move their jobs to China, sell their products in America, and run their income through a house in the Cayman Islands and avoid paying taxes. Do we want to increase their taxes? Darned right. Why? Because they are not paying their fair share. Everybody else does. What about them? Yet the majority party keeps saying that if you are going to plug these loopholes, you are increasing taxes. That is a strange viewpoint, and I think one we need to fix. We need to solve these problems.

I appreciate the work of Senator CONRAD.

Mr. CONRAD. Mr. President, I thank the Senator. I don't consider it a tax increase to actually collect the taxes that individuals or companies already owe which they are not paying. That is not a tax increase. No tax rate is increased. That is not creating a new tax; that is collecting the taxes that are already owed.

The Revenue Commissioner testified before the Senate Budget Committee that the tax gain—the difference between what is owed and what is actually being paid—is \$350 billion a year. The deficit is going to be \$371 billion, and we are not collecting \$350 billion of revenue that is owed. I don't consider that a tax increase. I think that is simply enforcing the laws that already exist.

I want to again alert colleagues. We are trying to change the way the budget debate occurs. The chairman and I are trying very hard. We have heard the complaints of our colleagues about vote-aramas. A vote-arama typically occurs because time runs out before the amendment that has been offered has a chance to be voted on under the rules of the Senate. We are trying to make sure that the people have a chance to debate those amendments and get a vote and dispense with some of these votes before we get to Thursday night.

I hope very much that colleagues are going to agree to the timeframe that we have set out in order to accomplish that purpose. If people resist that, then we are going to be right back in a vote-

arama Thursday night and voting until the wee hours of the morning. If people want a reform of the way we do business here, we need them to cooperate and help us.

Perhaps the chairman could review what the order of business is going to be for the rest of the afternoon and this evening in terms of the opportunities that are going to exist for colleagues to come to the floor tonight and talk about their amendments and make their opening statements. We are going to be in business to the extent that people take advantage of the time that is available.

Mr. GREGG. Mr. President, I thank the Senator from North Dakota. I agree with him and thank him for encouraging our membership to participate actively early in the debate.

As he mentioned, we hope to reduce the exercise known as vote-arama so we are not here until the wee hours of Friday morning or Thursday night, and one way to do that is to get these amendments up and get them offered.

What we are going to do this evening is reach an agreement for the first six amendments, which we will begin debating tomorrow in sequence, and then we will vote them tomorrow, with the vote time coming off the bill. This evening, we are going to have a vote at 5:30. I hope Members will come down between now and 5:30 and talk about the bill or talk about their amendments. Then, after the vote at 5:30, the floor will be open for Members to come forward and talk about their amendments—not to offer them at that time because we are going to set up this sequence. If Members have amendments they wish to offer, get in touch with us, and we will get them in debating order.

That is the game plan at the moment. I appreciate the efforts of the Senator from North Dakota in making that happen.

Mr. CONRAD. Mr. President, we have Members who are now on their way to the floor to speak on the budget.

I again implore colleagues, if they want to make an opening statement, tonight is the opportunity to do so. If they want to talk about an amendment and not offer it tonight but talk about it, tonight is the opportunity.

As we get into tomorrow, the time is going to be very scheduled in a very disciplined way so that we can make maximum progress. It is going to be that way Tuesday and Wednesday and Thursday until we finish. Tonight is the opportunity to make opening statements. Tonight is the night to talk about amendments that you might otherwise not get time to talk about. Again, this won't be the time to actually offer amendments, but you can describe it, you can debate it, and you can discuss it. Please. We are giving colleagues this opportunity tonight so that tomorrow we can get amendments up and vote on amendments and get the work of the Senate concluded.

I thank the Chair.

Mr. DORGAN. Mr. President, I talked earlier about the \$12 billion expendi-

ture, \$1.2 billion a year over the next 10 years, according to the Joint Tax Committee, that we use to reward companies that move their jobs overseas by giving them a tax break for such activity.

I have previously offered this on four occasions. I have lost it on four occasions in the Senate. I can't believe there is anyone left in the Senate who, having thoughtfully evaluated this, would believe we should continue to give tax breaks to those who ship jobs overseas.

In the hope that other of my colleagues have seen the light or felt the heat or some way or other found an epiphany about this subject, I anticipate offering this again and consider my previous statement to be an opening statement when I would offer such an amendment, so I wouldn't require any particular time on it. I have already spoken on it, and perhaps my two colleagues would consider at an appropriate point accepting the amendment. It is infused with such wildly common, common sense my hope would be that my colleagues would decide to simply accept the amendment on this fifth occasion on the floor of offering the amendment, especially inasmuch, I might say, as Ford Motor announces that they are going to close plants and get rid of 30,000 workers, General Motors is going to get rid of 25,000 to 30,000 workers—and the list goes on. By the way, not only get rid of their workers but cut their pensions and run them through with health care problems and payment of corporate health care accounts.

Given all that news, my guess is that perhaps the sentiment would have changed, believing maybe now is the appropriate time to shut down this perverse tax incentive that rewards companies that fire their American workers and move their jobs overseas.

At some appropriate point, I will consider offering it. I would not need time to debate it.

Again, I say to my two colleagues that my hope and expectation would be that you would just accept the amendment at some appropriate time. And this would stand as some future discussion, if I offer that amendment at the appropriate time.

Mr. GREGG. Mr. President, I may have already asked, but let me renew this unanimous consent request that for the duration of the budget debate, when there is a quorum call, the time be deemed to be running against both sides equally.

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

#### WATER INFRASTRUCTURE

Mr. CRAPO. Mr. President, I rise to engage the distinguished chairman in a colloquy.

Mr. GREGG. I yield to the Senator.

Mr. CRAPO. I wish to express my appreciation for your efforts to put together a well-crafted fiscal year 2007 budget resolution that balances the

need for critical Government programs while taking a strong stand against our budget deficit.

As the committee works to address these critical needs, one area of the administration's request in particular needs special mention—the proposal to reduce funding for the Clean Water State Revolving Fund, CWSRF, and the Drinking Water State Revolving Fund, DWSRF. Although the administration's budget submission makes a number of difficult choices, the recommendation to reduce funding to the CWSRF and the DWSRF represents a tremendous hardship for communities throughout the country.

Recent studies show that our Nation's water and wastewater infrastructure needs severely exceed the availability of resources at the local and State level to meet them. So many towns and cities across our country have exhausted their abilities to raise utility rates and issue bonds to pay for needed improvements. At the same time, increasing Federal water quality and drinking water standards force utility managers to upgrade systems or fall into noncompliance.

No community or customer wants to be served by a failing water or wastewater facility, but the Federal Government's commitment to addressing these regulatory mandates must be mated with its assistance. Without this commitment, communities can be left with nowhere to turn for help. The Congressional Budget Office estimated in 2002 that the United States has between \$132 billion and \$388 billion in clean water infrastructure needs alone over the next 20 years and the spending gap over that time will reach \$70 to 360 billion. Similar figures affect the Nation's drinking water infrastructure.

Idaho, a small State by population and infrastructure needs, still only receives about \$15 million annually, but its aggregate water and wastewater needs over the next 20 years will approach \$1 billion by some estimates. For instance, the rural city of Castleford, ID, has become out of compliance with the EPA's arsenic standard for drinking water. In order to conform with the rule, the town, with a population of less than 200, will have to expend more than its entire annual operating budget to update the water infrastructure system.

The principal means for assisting utilities are the SRFs, which provide a loan pool for State agencies to work with distressed communities. The SRF assistance help finance infrastructure projects at the local level, and those communities in turn repay those loans so that the State might aid other communities in need.

That is why I believe it is so problematic to see a continuing decline in funding for the CWSRF and DWSRF. As recently as 2 years ago, funding was \$1.35 billion and \$850 million, respectively. Unfortunately, budget pressure has forced the CWSRF down to \$900 million in the current fiscal year, and

the President has proposed to reduce that to \$688 million for the next year. While the DWSRF is proposed at only an \$8 million reduction, a fateful and disturbing trend is developing.

As the past chairman of the Environment and Public Works Subcommittee on Fisheries, Wildlife, and Water, I led efforts in two successive Congresses to update and increase the authorization for the CWSRF and DWSRF. Although those legislative initiatives never made it to the Senate floor, I remain committed to helping communities in Idaho and throughout the country address their water and wastewater needs.

During the debate on this budget resolution in the Budget Committee, an amendment was offered to condemn the President's call for reductions in those important accounts. I opposed that amendment because I want to focus effort where it counts, by working with my distinguished chairman and the Appropriations Committee to restore funding for the two SRFs to the best of our abilities.

Mr. Chairman, I ask that you join me in working through the balance of the budget resolution process, as well as during your service on the Appropriations Committee, to help restore these vital funds.

Mr. GREGG. Thank you, Senator CRAPO. I agree with your comments about the importance of these resources, and I applaud your leadership in this area. While the President's request for these accounts is lower than many would like, I believe that during the appropriations process, Congress will try to remedy this problem. As you know, historically, the President tends to request lower funding levels for these accounts, and Congress usually pluses them up through the appropriations process, often quite significantly. For example, in 2004, 2005, and 2006, Congress provided considerably more for the Clean Water SRF Program than the President requested, +492 million, +291 million, and +\$157 million, respectively. As Congress works to finalize the fiscal year 2007 budget resolution, I will continue to work with you on these issues.

Additionally, in my role as a member of the Appropriations Committee, I will certainly be cognizant of the funding needs for SRF Programs.

Mr. CRAPO. Thank you, Mr. Chairman.

Mr. GREGG. I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

Mr. GREGG. Mr. President, I ask unanimous consent that following the vote scheduled for 5:30 today the Senate resume consideration of the budget

resolution for debate only this evening; provided further that when the Senate resumes debate on the resolution on Tuesday, the Senate begin consideration of the following amendments in the order listed below under the listed times for debate: Conrad amendment, the Conrad-Feingold amendment on pay-go for an hour, equally divided; the Talent amendment on defense for an hour, equally divided; the Kennedy amendment on education for an hour, equally divided; the Chafee amendment on IDEA special education, an hour equally divided; the Byrd amendment on veterans, equally divided; the Akaka veterans amendment, equally divided.

I further ask consent the votes occur in relationship to the amendments beginning at approximately 3 p.m. on Tuesday, with no second-degree amendments in order prior to the votes in relationship to the amendments. I ask consent that the vote time consumed under this agreement count equally against the resolution.

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

Mr. GREGG. I thank the Senator from North Dakota for working this out. It is a good start to this bill. It gives us an opportunity to get out of the box with a series of amendments, get them voted on and hopefully reduce the vote-arama at the end of the bill.

Mr. CONRAD. Mr. President, I thank the chairman for working this out, as well. I thank our colleagues for their willingness to cooperate and to say to other colleagues that this sets a good example. I hope very much other colleagues and their staff are listening and that they understand if we continue on this course, we could have a much better budget debate and not wind up in that vote-arama, voting four times an hour with very little discussion or debate intervening. I hope very much colleagues are listening and that they will continue to cooperate.

I am especially grateful to the six colleagues who have already agreed in this order to these time limits, at these times.

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

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

Mr. SARBANES. Mr. President, I take it the parliamentary situation is such that it is in order for me to now be recognized?

The PRESIDING OFFICER. The Senator is recognized.

Mr. SARBANES. I thank the Chair.

Mr. President, at the very outset, let me say I have closely followed Senator CONRAD's remarks on the budget. It is something I have done each year he has

served as the ranking member on the Budget Committee. As always, I found his presentation to be both clear and insightful. For anyone who cares deeply about fiscal responsibility, as he does, the picture he has painted of America's fiscal condition is deeply troubling. I express my own deep appreciation to Senator CONRAD, as I think people all across the country should do, for seeking to focus attention on this important problem.

Day by day, we have different issues which grab the headlines and the public's attention, but, meanwhile, this deteriorating situation of America moving further and further down into a fiscal box goes on. The implications of that are very far reaching.

Senator CONRAD has sought to call our attention to that, to focus our attention upon it, and to make us come to grips with this challenge. I commend him for what I think has been a very important public service.

As we set out to consider the budget for fiscal year 2007, I think it is necessary for all of us to recognize the budget resolution is, in a very basic sense, the most important document we will deal with in this Congress.

The budget contains within it literally hundreds and hundreds of decisions that are critical to our national life. Each time it comes before us, it puts to us the questions: What are our values? What are our priorities? What are we trying to accomplish as a society?

It is within the budget that we set our priorities. We make these judgments: how much of our resources to commit, how much to raise through the taxing system, how large a deficit to run. All of these are very basic questions, and the priorities set among these programs determine the direction of our national life.

Now, I think in order to judge the current budget and to develop some informed and responsible answers, we need to place that budget in the fiscal and economic context in which the Nation now finds itself.

You do not need a very long memory to recall that a few short years ago, under President Clinton, as he was moving through his second term, after we, the President and the majority in Congress, had made some very hard choices on taxes and spending, restraining spending and raising some taxes, primarily on upper-income people—we were able to turn around the Nation's fiscal status.

In 1998, the Federal Government reported its first surplus in the budget since the 1960s. When President Bush took office, we were in our third straight year of a surplus in the Federal budget, and we were projecting surpluses over the next 10 years of \$5.6 trillion—five and a half trillion dollars in surpluses projected over a 10-year period.

Obviously, this was a pretty healthy position to be in. It would have, of course, allowed the Nation to pay down

the large national debt that had been accumulated as we moved through the 1980s and into the 1990s. But in what I predict history will write as a gross irresponsibility, President Bush, in effect, squandered the projected surpluses by instituting irresponsible and reckless tax cuts—tax cuts whose overwhelming beneficiaries were those at the very top of the income and wealth scale. These were not broad-based tax cuts. These were tax cuts whose benefits, upon analysis, were seen to be focused very much on the top few percent of the income scale.

When the President submitted his first budget proposal, he asserted:

We can proceed with tax relief without fear of budget deficits, even if the economy softens.

“We can proceed with tax relief without fear of budget deficits, even if the economy softens.”

The following year, with a budget already in deficit, the President advocated for yet another tax cut—yet another—promising that “our budget will run a deficit that will be small and short term.” In fact, the President's budget that year, 2002, stated the deficits would be so short term that today—as he was looking ahead—the Government would be back in surplus.

Now, let's look at what has happened. Exactly the opposite of what the President predicted has happened. Under the irresponsible fiscal policy that this President has pursued, we have run deficits each and every year since 2001.

In 2002, the deficit was \$158 billion. President Bush inherited a surplus in 2001 of \$128 billion. The three previous years had had surpluses as well, and then there was a \$158 billion deficit in 2002. The deficit rose to \$378 billion in 2003, rose again in 2004 to \$413 billion, fell slightly in 2005 to \$319 billion, and is now projected to go back up again in 2006 to \$371 billion. Far from being small and short term, these deficits are at record levels.

This chart shows the deterioration in the Nation's fiscal position over the last 35 years. As we see, the budget went into the red more and more and more. In fact, in 1992, we had the previous record deficit of \$289 billion. Then there were the years I referred to when we came out of deficit and ran a surplus. Now we have dived back into deficit, thanks primarily to the excessive tax cut and other factors, including the slowing of the economy and the involvement in Iraq. We ran a record deficit in 2004 of \$413 billion. What an extraordinary deterioration in fiscal position to go from here to there.

The deficits would be even larger if we were not using the Social Security trust fund each year to mask the cost of the President's policies. When we do a unified budget, we include in it any surplus or deficit in the Social Security trust fund, and the Social Security trust fund has been running a positive balance. That offsets the picture of the deficits, but it is not a totally accurate picture.

The President has submitted a budget this year that would cause our Nation's fiscal health to continue to deteriorate. Regrettably, the President's budget does not even tell the whole story. It fails to account for very significant and substantial obligations overseas and for significant and substantial obligations at home. I want to give two examples of that. There are others. We could develop a longer list. But for purposes of illustration in terms of dealing with a budget that is not fully transparent and fully accountable, I will give two examples.

From the very start of the war in Iraq, the administration has not reflected its true cost in the budget and in the budget submissions. In retrospect, one is given pause by the fact that the very day the bombing started on Baghdad in March of 2003, we were debating the budget resolution on the floor of the Senate—3 years ago.

Of course, since the war had just started at that time, the budget resolution before us did not contain funding for that war. Instead, the President came along and submitted a request for an emergency supplemental appropriation to cover the initial war cost. That is not out of the ordinary. The budget had been submitted. The war had not been started. The money was not included for the war. I noted at the time that the money requested in the emergency supplemental appropriations was clearly only a downpayment and that much more would be needed to cover the full cost of the war and of the reconstruction. I am frank to say to my colleagues, I fully expected that the President would include those costs in his next budget submission. In other words, I expected that, having now become involved, the costs of that involvement would be reflected in subsequent budget submissions, and yet the President's budgets in fiscal year 2005 and fiscal year 2006 did not include a single cent for the ongoing cost of operations in Iraq and Afghanistan. Instead, the President continued to ask for funding for Iraq and Afghanistan outside of the regular budget process.

This year the President has included a placeholder of \$50 billion in his budget. Even for the administration, after 2 years of not recognizing these costs, it finally hit home that they had to do something. So they put, as it were, a placeholder of \$50 billion in the budget that was submitted, when everyone knows that significantly more than that figure will be needed. This is not responsible budgeting. The President is refusing to own up to the true cost of his policies.

Let me turn to a domestic issue which is not fully reflected in the budget but, again, as we know, is going to happen. That is the cost of fixing the alternative minimum tax. This tax was put in place as part of our Tax Code in order to require that very wealthy people, who are using various exemptions and deductions in the Tax Code to avoid paying any taxes at all, would

pay at least a certain amount of tax. It was an effort to assure some equity and fairness in the workings of the tax system. What has happened is that the threshold levels of the alternative minimum tax have not been adjusted for inflation. As a consequence, this tax is beginning to affect middle-class Americans to whom it was never intended to apply. We have adjusted it in previous years. It is clear it will need to be adjusted again at a significant cost. But those costs are not reflected in the budget the President has submitted to us.

When these two items are taken into account, plus the deficits the President is projecting on the basis of his revenue and spending programs, we are now projecting a 10-year deficit of \$3.5 trillion. Think about that. When the President came into office we were projecting a surplus over 10 years of \$5.6 trillion. Now we are projecting a \$3.5 trillion deficit. This is a deterioration in fiscal position of over \$9 trillion. Because of these annual budget deficits, which we are running and are projected to continue to run, the debt of the country is projected to explode. It is now projected to rise to \$11.8 trillion, almost \$12 trillion, in gross Federal debt by the year 2011.

Look at this incredible runup in debt that has happened since 2001. We have moved up in an escalating way. We are at \$8.6 trillion in 2006. We are projected to go to almost \$12 trillion by 2011. Net interest payments on this debt are expected to consume more than \$1 trillion over the next 5 years. These are just the interest payments on the debt. Each dollar that we pay in interest is one less dollar that we can invest in key areas that will help to keep our economy competitive in the future. We face a global competition. Other nations are investing in workforce training, physical infrastructure, transportation networks, research and development. If we fail to rise to that competitive challenge, we are going to fall behind, not move ahead.

These debt figures, some say, are just numbers. It is hard to get your imagination around \$12 trillion in debt. But these numbers all reflect real obligations. These will have to be paid off by the next generation and the generation after them through higher taxes and a reduced standard of living. As the *New York Times* put it in an editorial entitled "The Pain That is Yet to Come":

America cannot escape the consequences of its debt indefinitely. The effects may be sudden or gradual, but either way they mean a weaker economy than would otherwise be the case.

This debt has another troubling aspect to it as well. We are financing this deficit by mortgaging our financial future to foreign lenders. The United States, in roughly a quarter of a century, has gone from being the world's largest creditor nation to being the world's largest debtor nation. In my view, there is a basic contradiction between being the world's largest debtor

and asserting a role as the world's leading nation.

Our international deficit, called our current account deficit, was nearly \$800 billion last year, over 7 percent of our Nation's gross domestic product. In effect, we rely on over \$2 billion of foreign inflow into the country each and every day. Warren Buffett was recently quoted as saying:

Right now the rest of the world owns 3 trillion more of us than we own of them. In my view it will create political turmoil at some point. Pretty soon I think there will be a big adjustment.

This large adjustment could come in the form of higher interest rates here at home, a sudden crash in the value of the dollar or a sharp drop in our stock and bond markets. We don't know exactly what will happen because we are not in control of our own economy. Much of that control is in the hands of others overseas.

As Blanche DuBois said in Tennessee Williams' play, "A Streetcar Named Desire":

We have become utterly dependent on the kindness of strangers.

"Utterly dependent on the kindness of strangers." Obviously, this situation should raise serious concerns about our ability to conduct our foreign policy in the future if we are constrained and limited by the need to keep our creditors willing to lend us money.

Regrettably, in the budget plan submitted this year, the President offers no solution to bringing this national debt under control. In fact, the President is calling for the permanent extension of his tax cuts for the wealthy at a cost of trillions of dollars.

I didn't agree with the President's tax plan in the days in which we had a budget surplus. I felt then it was too large, too heavily weighted toward the wealthy. Some argued—and I thought it had some logic to it—for a short-term targeted tax cut aimed primarily to middle- and working-class Americans and, at the same time, using the surplus to pay down our debt. In other words, to do a combination of those things.

What I opposed and did not understand was the very excessive tax cuts the President put forward then and his continued support today for tax cuts in times of war and enormous budget deficits.

We keep moving along year to year in this way, and we make these budget decisions, and then we go on to other business, but all the time these policies are working to drive us deeper into debt. As I said, much of this debt is held by foreign lenders, and that amount is growing all the time.

At the end of fiscal year 2001, 31 percent of the outstanding Federal Government debt was held by foreign lenders. Over the succeeding 4 years, borrowing from abroad accounted for more than 80 percent of the increase in our Government debt. So we have seen the debt rise and the portion of the debt held by foreign lenders, in percentage terms, rise at a much more rapid rate.

If foreign lenders continue to buy 80 percent of new Federal debt, the Federal Government will owe more than half of the debt to foreign lenders by 2011. That is equivalent to almost 25 percent of our expected gross domestic product. Think of the leverage we are placing in the hands of foreign lenders. And a shift has also occurred from private to Government lenders with respect to where those funds are coming from.

Regrettably, the President's budget also cuts substantially a number of programs designed to help working and middle-income people in this country. For example, Federal education funding has been cut by the largest amount in the 26-year history of the Department of Education. These cuts come at a time when tuition and fee increases have placed college education out of reach for many students. Since 2000, tuition and fees have increased almost 60 percent for public 4-year colleges and 32 percent for private 4-year colleges.

The budget for the Department of Housing and Urban Development is, once again, marked by cuts in programs that provide housing services and a healthy home environment for millions of American households. The President has proposed a 20-percent cut in community development block grants, a 25-percent cut in elderly housing, a 50-percent cut in housing for the disabled, and despite everyone's recognition of the essential services provided by our police and firefighters—everyone waxes eloquently about our first responders—the budget proposes to cut funding for community police by close to \$400 million and to cut the fire programs by more than half.

Let me try to put this in a little bit of context in terms of the choices being made with respect to priorities.

In fiscal year 2007, the benefit of the President's tax cuts for millionaires, those with incomes over \$1 million, will total \$41.3 billion. That is the benefit for millionaires resulting from those tax cuts.

I mentioned cuts in education, housing, police, and fire. We could fund all of those programs that I listed—in other words, bring them back up to the current levels—for less than 10 percent of the benefits flowing from that tax cut for millionaires—less than 10 percent. I am not supportive of the bulk of that tax cut. I think it was giving much to those who already had more when we had other pressing needs facing us. But just 10 percent of it would bring education, housing, fire, and police back up to current base levels.

What does it say about our priorities as a nation that we are placing these tax cuts for people at the very top ahead of investments in these programs?

What is said, of course, is: We can't do the programs because we have a deficit. The public needs to ask: Why do we have this deficit? And the reason we

have it is because of the tax cuts. So in terms of setting priorities, the tax cuts were given a higher priority than investments in education or in housing or in stronger police and fire, and I could go through the rest of the budget reflecting the same decisions and the same choice in terms of priorities.

I could develop that list at some length, but let me conclude with one last point. I think the American people have a strong sense of fairness and equity. There have been a number of events during the course of this administration which have underscored the necessity to come together as a nation with this sense of fairness and equity—the attacks of 9/11, the war in Afghanistan and then in Iraq, the devastation of Hurricane Katrina, most prominent among them. But to move ahead, we must share the burden, and, unfortunately, the President's budget continues to favor the very wealthy. They are not carrying the burden. In fact, they are being relieved of some of the burden through the tax cuts while leaving the majority of Americans to carry the burden.

So as we move forward with this budget process, we need to ask ourselves: What are our priorities as a nation? In my judgment, the President's budget does not reflect the values of the American people. It is neither fair nor responsible. While some changes were made in the Budget Committee, I still think it basically reflects the policies submitted to us by the President which I think are not fair, not responsible, and I urge my colleagues to reject the budget resolution.

Mr. President, I know Senator FEINGOLD is here on the floor and would like to be recognized for up to 25 minutes.

The PRESIDING OFFICER. The majority leader.

Mr. SARBANES. I ask unanimous consent for that.

The PRESIDING OFFICER. Is there objection?

Mr. FRIST. Reserving the right to object, I have a short statement to make, and then I will be happy to yield to the Senator from Wisconsin or have the ranking member yield to him.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. FRIST. I object.

The PRESIDING OFFICER. Objection is heard. The majority leader.

Mr. FRIST. Mr. President, I will be very brief. I am obviously disturbed—I know what the Senator from Wisconsin will be presenting shortly. I expect him to offer a resolution to censure the President of the United States—he made those intentions clear yesterday, and I expect him to do that shortly—a censure of the President for defending the United States of America and protecting our homeland security.

As I implied in some statements I made publicly yesterday, I do believe this is a political stunt, a political stunt that is addressed at attacking

the President of the United States of America when we are at war, when the President is leading us with a program that is lawful, that is constitutional, and that is vital to the safety and security of the American people. It is being offered at a time—with really an attack on what the President is doing—at the same time we have terrorists right now intending to attack Western civilization and, indeed, the people of our homeland.

With that being my feeling and the intention being so apparent to me, I do want to make it clear that if that is the case, and if this resolution is offered tonight, we will be ready to vote on that censure resolution tonight.

That being the case, then I will offer a unanimous consent request at this juncture.

Mr. President, I ask unanimous consent that immediately after the 5:30 vote this evening, the Senate proceed to a vote on the resolution of censure to be submitted by the Senator from Wisconsin, without further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, I understand this has not been discussed with the minority leader, this proposal for a vote, and I would therefore object.

The PRESIDING OFFICER. Objection is heard. The unanimous consent request is not agreed to.

Mr. SARBANES. I would respectfully request of the leader that he should have a discussion with the minority leader before seeking to set the agenda.

Mr. FRIST. Mr. President, I then ask unanimous consent that immediately following the budget vote scheduled for tomorrow afternoon, the Senate proceed to the consideration and an immediate vote on the resolution of censure that will be submitted by the Senator from Wisconsin without any further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. Mr. President, I object for the same reason. I think the majority leader should have a responsible discussion with the minority leader before setting the agenda of the Senate. It should be an elemental courtesy in the conduct of the Senate's business.

Mr. FRIST. Mr. President, I heard the objection. I just wanted to discuss our willingness on what is an important issue. We are talking about the censure of the President of the United States, and we are ready to vote on that this afternoon.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, does the Senator from Maryland yield me time?

The PRESIDING OFFICER. Who yields time?

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I be recognized for up to 25 minutes as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. SARBANES. I understand, Mr. President, this is off the resolution; is that right?

The PRESIDING OFFICER. The Senator from Wisconsin asked to speak as in morning business. Is there objection?

Mr. SARBANES. I think an agreement was reached that it would be off the resolution and count toward the time on the resolution.

The PRESIDING OFFICER. Is there objection to that stipulation?

Mr. FRIST. Mr. President, it is our understanding that 25 minutes would count on the underlying bill.

Mr. REID. Reserving the right to object, is there a unanimous consent request pending?

Mr. SARBANES. Only that the 25 minutes that Senator FEINGOLD is going to use will come off the resolution.

Mr. REID. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. FEINGOLD. I understand I have been recognized for 25 minutes as in morning business; is that correct?

The PRESIDING OFFICER. An objection has been heard to the unanimous consent request of the Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thought that was the second unanimous consent. I simply asked originally for 25 minutes in morning business, and I believe that was approved.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin to speak as in morning business for 25 minutes?

Mr. FRIST. Mr. President, reserving the right to object, and I will object, we are perfectly willing to have the Senator speak but have the 25 minutes count to the underlying bill.

The PRESIDING OFFICER. There is an objection.

Mr. REID. Mr. President, 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. 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.

Mr. REID. Mr. President, what we need here in the Senate is more debate, not less debate. I certainly have no problem with the Senator from Wisconsin speaking for as long as he wishes, and if the managers of the bill wish to yield time off the resolution to him, it is fine with me. I do want to say this, however: For the majority leader—and he has the right, I don't dispute that at all—to come to the floor without notice to his counterpart and offer a unanimous consent request is something that I never tried to do. I always tried to give him the benefit of my telling him what I plan to do, and I think that is the right thing to do. I am sure

there was nothing willful in what he did; I am sure it was just an oversight.

To try to limit debate on this most important matter that Senator FEINGOLD is going to put before the Senate is not appropriate. I have no problem with arranging a time to finish debate on the Feingold proposal, but it seems to me what is happening in the Senate is there is no time to debate much. And we are under a statute, and that is why we are here today with the budget resolution, with 50 hours on this.

But if we look at what we have facing us in the future, in the immediate future, the Secretary of the Treasury has asked us to increase the national debt from \$8.2 trillion to \$9 trillion. Now, if there were ever an opportunity for the American people to hear the differences between the two parties, I think it would be on that debate. Or, even if that weren't the case, something where we are being asked to increase the national debt by \$800 billion, shouldn't there be a debate on that?

To show our willingness to cooperate on something this important, I agreed with the distinguished majority leader that we would have 5 hours of debate on the national debt and three amendments that we would offer. We would have a half hour on each of ours, an hour and a half time is all we wanted. When we are going to be asked to increase the national debt by approximately \$800 billion, I think it is fair that we could have a few hours to talk about that.

But it appears at this stage that is not going to happen. It appears there will be the 50 hours on this matter that is now before the Senate which will be completed sometime Thursday, and there will be a mad rush to get out of here for the week break that we have. Of course, offering amendments after the matter is brought to the attention of the Senate, I mean we can't do that because we may shut down the Government. And that is why the majority has waited so long, even though Secretary Snow advised us in December that there was going to be a problem with the national debt ceiling.

So I have no problem with the Senator from Wisconsin being yielded time off the resolution by the distinguished ranking member of our Banking Committee who is now managing this bill for Senator CONRAD, but I want the record to be spread with the fact that this is an issue that deserves more debate, not less debate. I don't care if the time is used off the budget resolution.

So I would ask the distinguished Presiding Officer to read, or recall, at least, the unanimous consent request that was made by the distinguished majority leader.

The PRESIDING OFFICER. The unanimous consent request of the majority leader?

Mr. REID. Yes. It was my understanding the request was that the Senator from—

The PRESIDING OFFICER. The Senator from Wisconsin would be recog-

nized for 25 minutes as in morning business.

Mr. REID. But the time would be used off the budget resolution.

The PRESIDING OFFICER. That is correct.

Mr. REID. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Mr. President, reserving the right to object, I yield first to the majority leader to comment.

Mr. FRIST. Mr. President, a lot is happening very quickly now. In a very few minutes, we are going to get to the Senator from Wisconsin who has appropriately requested 25 minutes, and the unanimous consent request will be that the time would come off the bill and it will be as in morning business.

Just to clarify, he has said his intentions representing the other side of the aisle to offer a resolution to censure the President of the United States for a program that I have said and will restate is a lawful program, is a program that is constitutional, and is a program that is vital to the safety and security of the American people. My response to that unanimous consent request was if that is the case and if that is the position of the Democratic Party, that we are ready to vote at 5:30 or after our 5:30 vote today. That unanimous consent request was objected to by the other side of the aisle.

Then the second unanimous consent request that I propounded was that we would vote after a series of stacked votes tomorrow on the resolution to censure. There was an objection from the other side of the aisle.

When we are talking about censure of the President of the United States, at a time of war when this President is out defending the American people with a very good, lawful, constitutional program, it is serious business. And if it is an issue that the other side of the aisle wants to debate or debate through the night, I guess we are willing to do that as well. But the censure of the President is important, and if they want to make an issue of it, we are willing to do just that.

I have no objection to the unanimous consent request that has been made.

Mr. REID. There is no unanimous consent request now pending; is that right?

The PRESIDING OFFICER. No. You reserved the right to object, but there is only one pending before the Senate at this time.

Mr. SPECTER. Mr. President, I ask that the unanimous consent request giving Senator FEINGOLD 25 minutes be expanded to give this Senator 25 minutes, with the time running off the bill.

Mr. REID. So now we have Senator FEINGOLD speaking for 25 minutes, that would be yielded off the budget resolution, and Senator SPECTER speaking for 25 minutes, that being yielded off the resolution; is that right?

The PRESIDING OFFICER. That is the pending request. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, and there is no other unanimous consent request before the Senate at this time?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Wisconsin.

#### RESOLUTION OF CENSURE

Mr. FEINGOLD. Mr. President, when the President of the United States breaks the law, he must be held accountable. That is why today I am submitting a resolution to censure President George W. Bush.

The President authorized an illegal program to spy on American citizens on American soil, and then misled Congress and the public—

Mr. SPECTER. Mr. President, will the Senator from Wisconsin yield for a question? May we have a copy of your resolution?

Mr. FEINGOLD. I will be introducing it at the conclusion of my remarks. I will be happy to supply the Senator with a copy of the resolution, but I do intend to introduce it at the conclusion of my remarks.

Mr. SPECTER. Mr. President, if the Senator from Wisconsin would let this Senator have a copy of it now.

Mr. FEINGOLD. Mr. President, I just said I would be happy to give the Senator a copy of the resolution right now.

Mr. President, I ask unanimous consent that my time be started over again.

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

The Senator from Wisconsin is recognized.

Mr. FEINGOLD. I thank the Chair.

Mr. President, when the President of the United States breaks the law, he must be held accountable. That is why today I am submitting a resolution to censure President George W. Bush. The President authorized an illegal program to spy on American citizens on American soil, and then misled the Congress and the public about the existence and the legality of that program. It is up to this body to reaffirm the rule of law by condemning the President's action.

All of us in this body took an oath to support and defend the Constitution of the United States and bear true allegiance to the same. Fulfilling that oath requires us to speak clearly and forcefully when the President violates the law. This resolution allows us to send a clear message that the President's conduct was wrong.

And we must do that. The President's actions demand a formal judgment from Congress.

At moments like this in our history, we are reminded why the Founders balanced the powers of the different branches of Government so carefully in the Constitution. At the very heart of our system of government lies the recognition that some leaders will do wrong and that others in the Government will then bear the responsibility to do right.

This President has done wrong. This body can do right by condemning his

conduct and showing the people of this Nation that his actions will not be allowed to stand unchallenged.

To date, Members of Congress have responded in very different ways to the President's conduct. Some are responding by defending his conduct, ceding him the power he claims, and even seeking to grant him expanded statutory authorization powers to make his conduct legal. While we know he is breaking the law, we do not know details of what the President has authorized or whether there is any need to change the law to allow it. Yet some want to give him *carte blanche* to continue his illegal conduct. To approve the President's actions now without demanding a full inquiry into this program, a detailed explanation for why the President authorized it, and accountability for his illegal actions would be irresponsible. It would be to abandon the duty of the legislative branch under our constitutional system of separation of powers while the President recklessly grabs for power and ignores the rule of law.

Others in Congress have taken important steps to check the President. Senator SPECTER has held hearings on the wiretapping program in the Judiciary Committee. He has even suggested that Congress may need to use the power of the purse to get some answers out of the administration. Senator BYRD has proposed that Congress establish an independent commission to investigate this program.

As we move forward, Congress will need to consider a range of possible actions, including investigations, independent commissions, legislation, or even impeachment. But at a minimum Congress should censure a President who has so plainly broken the law.

Mr. President, our Founders anticipated that these kinds of abuses would occur. Federalist Paper No. 51 speaks of the Constitution's system of checks and balances. It says:

It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections of human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself.

We are faced with an executive branch that places itself above the law. The Founders understood that the branches must check each other to control abuses of Government power. The President's actions are such an abuse. His actions must be checked and he should be censured.

This President exploited the climate of anxiety after September 11, 2001, both to push for overly intrusive powers in the PATRIOT Act and to take us into a war in Iraq that has been a tragic diversion from the critical fight

against al-Qaida and its affiliates. In both of these instances, however, Congress gave its approval to the President's action, however mistaken the approval may have been.

Here is the difference, Mr. President: This was not the case with the illegal domestic wiretapping program authorized by the President shortly after September 11. The President violated the law, ignored the Constitution and the other two branches of Government, and disregarded the rights and freedoms upon which our country was founded. No one questions—no one questions—whether the Government should wiretap suspected terrorists. Of course we should and we can under current law. If there were a demonstrated need to change the law, of course, Congress should consider that step. But instead, the President is refusing to follow the law while offering the flimsiest of arguments to justify his misconduct. He must be held accountable for his actions.

The facts are pretty straightforward. Congress passed the Foreign Intelligence Surveillance Act, known as FISA, nearly 30 years ago to ensure that as we wiretap suspected terrorists and spies, we also protect innocent Americans from unjustified Government intrusion. FISA makes it a crime to wiretap Americans on U.S. soil without the requisite warrants, and the President has ordered warrantless wiretaps of Americans on U.S. soil. So it is pretty simple. The President has broken that law and that alone is unacceptable.

But the President did much more than that. Not only did the President break the law, he also actively misled Congress and the American people about his actions and then, when the program was made public, about the legality of the NSA program. He has fundamentally violated the trust of the American people. The President's own words show just how seriously he has violated that trust.

We now know that the NSA wiretapping program began not long after September 11. Before the existence of this program was revealed, the President went out of his way, he went out of his way in several speeches to assure the public that the Government was getting court orders to wiretap Americans in the United States, something he now admits was not the case.

On April 20, 2004, for example, the President told an audience in Buffalo, "Any time you hear the United States government talking about wiretaps it requires a court order. Nothing has changed, by the way."

In fact, a lot had changed. But the President wasn't upfront with the American people. Just months later, on July 14, 2004, in my own State of Wisconsin, the President said, "Any action that takes place by law enforcement requires a court order. In other words, the government can't move on wiretaps or roving wiretaps without getting a court order."

And then, Mr. President, last summer on June 9, 2005, the President spoke in Columbus, OH, and again insisted that his administration was abiding by the laws governing wiretaps. "Law enforcement officers need a federal judge's permission to wiretap a foreign terrorist's phone, a federal judge's permission to search his property. Officers must meet strict standards to use any of these tools. And these standards are fully consistent with the Constitution of the U.S."

Now, Mr. President, in all of these cases the President knew that he wasn't telling the complete story. But engaged in tough political battle during the Presidential campaign and later over the PATRIOT Act reauthorization, he wanted to convince the public that a system of checks and balances was in place to protect innocent people from Government snooping. He knew when he gave those reassurances that he had authorized the NSA to bypass the very system of checks and balances that he was using as a shield against criticisms of the PATRIOT Act and his administration's performance.

This conduct is unacceptable. The President has a duty to play it straight with the American people. But for political purposes, he just ignored that duty.

After a New York Times story exposed the NSA program in December of last year, the White House launched an intensive effort to mislead the American people yet again. No one would come to testify before Congress until February, but the President's surrogates held press conferences and made speeches to try to convince the public that he had acted lawfully.

Most troubling of all, the President himself participated in this disinformation campaign. In the State of the Union Address he implied that the program was necessary because otherwise, the Government would be unable to wiretap terrorists at all.

Now, Mr. President, that is simply untrue. In fact, nothing could be further from the truth. You don't need a warrant to wiretap terrorists overseas, period. It is clear. You do need a warrant to wiretap Americans on American soil, and Congress passed FISA specifically to lay out the rule for these types of domestic wiretaps.

FISA created a secret court made up of judges who develop national security expertise to issue warrants for surveillance of suspected terrorists and spies. These are the judges from whom the Bush administration has obtained thousands of warrants since 9/11. They are the judges who review applications for business records orders and wiretapping authority under the PATRIOT Act. The administration has almost never had a warrant request rejected by these judges. It has used the FISA Court thousands of times, but at the same time it asserts that FISA is an "old law" or "out of date" in this age of terrorism, that it can't be complied with. Clearly the administration can

and does comply with it except when it doesn't. Then it just arbitrarily decides to go around these judges and around the law.

The administration has said that it ignored FISA because it takes too long to get a warrant under that law. But we know that in an emergency where the Attorney General believes that surveillance must begin before a court order can be obtained, FISA permits the wiretap to be executed immediately as long as the Government goes to the court within 72 hours. Now, the Attorney General has complained that the emergency provision does not give him enough flexibility; he has complained that getting a FISA application together, of getting the necessary approvals, takes too long. What the Attorney General is actually talking about, the problems he has cited, are bureaucratic barriers that the executive branch put in place. They are not mandated by Congress. They are not mandated under FISA. These were put into place by the Justice Department, the executive branch itself, and they could be removed if they wanted.

FISA permits the Attorney General to authorize unlimited warrantless electronic surveillance in the United States—unlimited—during the 15 days following a declaration of war to allow time to consider any amendments to FISA required by a wartime emergency. This is the time period that Congress specified very clearly. Yet the President thinks he is above the law. He thinks that he can just ignore that 15-day period and do this indefinitely. The President has argued that Congress gave him authority to wiretap Americans on U.S. soil without a warrant when it passed the authorization for use of military force after September 11, 2001.

That is ridiculous. Members of Congress did not pass this resolution to give the President blanket authority to order warrantless wiretaps. We all know that. Anyone in this body who tells you otherwise either was not there at the time or isn't telling the truth. We authorized the President to use military force in Afghanistan, a necessary and justified response to September 11. We did not authorize him to wiretap American citizens on American soil without going through the process that was set up nearly three decades ago precisely to facilitate the domestic surveillance of terrorists with the approval of a judge. That is why—and I have heard them do this very clearly—many Senators, both Republicans and Democrats, have come forward to question this bogus theory.

This particular claim is further undermined by congressional approval of the PATRIOT Act just a few weeks after we passed the authorization for use of military force. The PATRIOT Act made it easier for law enforcement to conduct surveillance on suspected terrorists and spies while maintaining FISA's baseline requirement of judicial approval of wiretaps of Americans in

the U.S. It is also ridiculous to think that Congress would have negotiated and enacted all the changes to FISA in the PATRIOT Act if it thought it had just authorized the President to ignore FISA in the AUMF.

In addition, in the intelligence authorization bill passed in December 2001, we extended the emergency authority in FISA at the administration's request from 24 hours to 72 hours. Why did we do that? Why do that if the President has some kind of inherent power or power under the authorization of force resolution to just ignore FISA? That makes no sense at all.

The President has also said that his inherent executive power gives him the power to approve this program, but here the President of the United States is acting in direct violation of a criminal statute. That means his power is, as Justice Jackson said in the steel seizure cases a half century ago, "at its lowest ebb." A letter from a group of law professors and former executive branch officials points out, "Every time the Supreme Court has confronted a statute limiting the Commander-in-Chief's authority, it has upheld the statute." The Senate reports issued when FISA was enacted confirm the understanding that FISA overrode any preexisting inherent authority of the President. As a 1978 Senate Judiciary Committee report stated, FISA "recognizes no inherent power of the President in this area." And "Congress has declared that this statute, not any claimed Presidential power, controls." So contrary to what the President told the country in this year's State of the Union, no court has ever approved warrantless surveillance in violation of FISA.

The President's claims of inherent executive authority and his assertions that the courts have approved this type of activity are baseless. But it is one thing to make a legal argument that has no real support in the law; it is much worse to do what the President has done, which is to make misleading statements about what prior Presidents have done and what courts have approved to try to somehow make the public believe that his legal arguments are much stronger than they really are.

For example, in the State of the Union, the President argued that Federal courts have approved the use of Presidential authority that he was invoking. I asked the Attorney General about this when he came before the Judiciary Committee, and he could point me to no court—not the Supreme Court or any other court—that has considered whether, after FISA was enacted, the President nonetheless had the authority to bypass it and authorize warrantless wiretaps. Not one court. The administration's effort to find support for what it has done in snippets of other court decisions would be laughable if this issue were not so serious.

In the same speech, the President referred to other Presidents in American

history who cited executive authority to order warrantless surveillance. But of course, those past Presidents—like Wilson and Roosevelt—were acting long before the Supreme Court decided in 1967 that our communications are protected by the fourth amendment, and before Congress decided in 1978 that the executive branch could no longer unilaterally decide which Americans to wiretap. I asked the Attorney General about this issue when he testified before the Judiciary Committee. And neither he nor anyone in the administration has been able to come up with a single prior example of wiretapping inside the United States since 1978 that was conducted outside FISA's authorization.

So again the President's arguments in the State of the Union were baseless, and it is unacceptable that the President of the United States would so obviously mislead the Congress and American public.

The President also has argued that periodic internal executive branch review provides an adequate check on the program. He has even characterized this periodic review as a safeguard for civil liberties. But we don't know what this check involves. And we do know that Congress explicitly rejected this idea of unilateral executive decision-making in this area when it passed FISA.

Finally, the President has tried to claim that informing a handful of congressional leaders, the so-called Gang of 8, somehow excuses breaking the law. Of course, several of these members said they weren't given the full story. And all of them were prohibited from discussing what they were told. So the fact that they were informed under these extraordinary circumstances does not constitute congressional oversight, and it most certainly does not constitute congressional approval of the program.

In fact, it doesn't even comply with the National Security Act, which requires the entire memberships of the House and Senate Intelligence Committee to be "fully and currently informed of the intelligence activities of the United States." Nor does the latest agreement to allow a seven-member subcommittee to review the program comply with the law. Granting a minority of the committee access to information is inadequate and still does not comply with the law requiring that the full committee be kept fully informed.

In addition, we now know that some of the Gang of 8 expressed concern about the program. The administration ignored their protests. One of the eight members of Congress who has been briefed about the program, Congresswoman JANE HARMAN, ranking member of the House Intelligence Committee, has said she sees no reason why the administration cannot accomplish its goals within the law as currently written.

None of the President's arguments explains or excuses his conduct, or the

NSA's domestic spying program. Not one. It is hard to believe that the President has the audacity to claim that they do.

And perhaps that is what is most troubling here. Even more troubling than the arguments the President has made is what he relies on to make them convincing—the credibility of the Office of the President itself. He essentially argues that the American people should trust him simply because of the office he holds.

But Presidents don't serve our country by just asking for trust, they must earn that trust, and they must tell the truth.

This President hides behind flawed legal arguments, and even behind the office he holds, but he cannot hide from what he has created: nothing short of a constitutional crisis. The President has violated the law, and Congress must respond. Congress must investigate and demand answers. Congress should also determine whether current law is inadequate and address that deficiency if it is demonstrated. But before doing so, Congress should ensure that there is accountability for authorizing illegal conduct.

A formal censure by Congress is an appropriate and responsible first step to assure the public that when the President thinks he can violate the law without consequences, Congress has the will to hold him accountable. If Congress does not reaffirm the rule of law, we will create another failure of leadership, and deal another blow to the public's trust.

The President's wrongdoing demands a response. And not just a response that prevents wrongdoing in the future but a response that passes judgment on what has happened. We in the Congress bear the responsibility to check a President who has violated the law, who continues to violate the law, and who has not been held accountable for his actions.

We are hearing people say that somehow this censure resolution sends a terrible signal to the terrorists who want to do us harm. I tell you what is a terrible signal, that we are so meek in response to this terrorist threat that we are going to let the President of the United States break the law of this Nation and not do anything about it. Now that is a victory for the terrorists if we won't even stand up for our system of Government because everybody has to be afraid to mention that this President broke the law.

Passing a resolution to censure the President is a way to hold this President accountable. A resolution of censure is a time-honored means for the Congress to express the most serious disapproval possible, short of impeachment, of the Executive's conduct. It is different than passing a law to make clear that certain conduct is impermissible or to cut off funding for certain activities.

He should be censured.

The Founders anticipated abuses of Executive power by creating a balance

of powers in the Constitution. Supporting and defending the Constitution, as we have taken an oath to do, requires us to preserve that balance and to have the will to act. We must meet a serious transgression by the President with a serious response. We must work, as the Founders urged in Federalist 51, to control the abuses of Government.

The Constitution looks to the Congress to right the balance of power. The American people look to us to take action, to speak out with one clear voice, against wrongdoing by the President of the United States.

To conclude, in our system of government, no one, not even the President, is above the law.

I send the resolution to the desk.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. FEINGOLD. Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized for 25 minutes.

Mr. SPECTER. Mr. President, might I ask the Senator from Wisconsin to stay on the floor?

Mr. President, I think this subject matter is worthy of debate, but notwithstanding my experience of debating, I don't think I can debate without someone to debate with. I tried to attract the attention of the Senator from Wisconsin before he departed the Chamber. I think I got in right as he was on the way out the door.

But let me ask his staffers if they would invite the Senator from Wisconsin to return to the floor. Having listened to his long soliloquy, I would appreciate the benefit of his presence so we can deal with these issues in some substantive detail.

At the outset, I say that I agree with a number of things which the Senator from Wisconsin said and items which are in his resolution.

When he comes to the resolve clause and speaks about censure and condemnation of President Bush, I think he is vastly excessive. Call it over the top, call it beyond the pale, the facts recited in this resolution simply do not support that kind of conclusion.

Going right to the heart of the issue, the Senator from Wisconsin says in the fourth "whereas" clause on page 2 that the President does not have the inherent constitutional authority to act in distinction and difference from the Foreign Intelligence Surveillance Act.

That is what you call a naked assertion unsupported by any statement of law, unsupported by any rationale.

The Judiciary Committee, of which the Senator from Wisconsin is a member, has held two hearings on the authority of the President to conduct electronic surveillance. And there has been a great deal of testimony from reputable sources saying that the President does have inherent authority under article II of the Constitution.

If that legal conclusion is correct, then constitutional authority trumps a statute.

The Congress cannot legislate in derogation of the President's constitutional authority.

We cannot enact laws which take away authority prescribed to the President under the Constitution, just as we cannot legislate to take away authority that the Supreme Court has under the Constitution. Just as we cannot delegate our authority which the Constitution gives to the Congress, we cannot delegate our authority in derogation of our constitutional responsibilities and authorities.

Those are very basic principles of law.

I am sorry that the Senator from Wisconsin saw fit to condemn and excommunicate the President for 25 minutes but doesn't have time to come to this floor to answer a simple question. And that simple question is, Doesn't the Constitution trump statute?

A subordinate part of that question is if the President has inherent authority under article II, isn't it incorrect to say that the President has violated the Foreign Intelligence Surveillance Act, which would be superseded or trumped by the President's constitutional authority?

We are going to have some more hearings before the Judiciary Committee. If I don't have an opportunity to confront the Senator from Wisconsin this afternoon, I will find another opportunity to do so.

But I think the RECORD should be plain that in the hearing last month a number of academicians testified that the President does have inherent authority under article II to supersede the Foreign Intelligence Surveillance Act. And the Attorney General testified at length that the President has inherent authority under article II, which would lead to the conclusion that if Attorney General Gonzalez is correct, as a matter of law, then there is no violation of law by the President. Admittedly he is taking the President's side, but that is the job of Attorney General as a generalization. He also represents the American people, and he has to discharge his oath consistent with his duties to the American people.

There are a number of points, as I have said earlier, where I think the Senator from Wisconsin makes a valid argument.

I think on his third "whereas" clause on page 1 of the resolution, where he says that the Foreign Intelligence Surveillance Act is the exclusive statutory authority for electronic surveillance, he is correct. That doesn't rule out the Constitution superseding the statute, however.

When the Senator from Wisconsin says on his third "whereas" clause on page 2 that the resolution authorizing the use of military force did not change the Foreign Intelligence Surveillance Act, I think the Senator from Wisconsin is correct. But the correctness

of those two propositions do not supersede the inherent article II authority of the President. And that is the issue which has yet to be resolved.

The majority leader spoke very briefly this afternoon before the Senator from Wisconsin presented his resolution. Senator FRIST said that we are dealing with a lawful program. Senator FRIST is in the position to make an evaluation on that subject because Senator FRIST is one of the so-called Gang of 8, which has had access to the program. He has been briefed on the program.

I believe the Senator from Wisconsin is correct in the body of his resolution when he raises an issue that the statute requires all members of the Intelligence Committee to be briefed. That is the applicable law. It may be that there are good reasons for not briefing all the members of the Senate Intelligence Committee and all members of the House Intelligence Committee. Perhaps because members of the Congress leak. But if good reasons do exist, then the President ought to come to the Congress and ask it to change the law. I agree with him that the Congress leaks. I have to say, in the same breath, that the White House also leaks. That is not a very good record for either the Congress or the White House.

That is why I have prepared legislation which would submit the NSA electronic surveillance program to the Foreign Intelligence Surveillance Court. That court now passes on applications for search-and-seizure warrants under the Foreign Intelligence Surveillance Act. They apply the standard, which is different than the standard for a search-and-seizure warrant in a criminal case. They have expertise in the field. They also have an exemplary record for keeping secrets.

That is the way to deal with this issue. There must be a determination on constitutionality. It is not possible, in my legal judgment, to make a determination as to whether the President's inherent article II powers authorize this kind of a program, without knowing what the program is. I don't know what the program is. The Attorney General would not tell us what it is when he testified last month. I understood his reasons for not telling us, even though we could have gone into a closed session. But the Judiciary Committee was looking at the legalities of the program. We were in a position to render a judgment on whether the Foreign Intelligence Surveillance Act was the exclusive remedy, and whether the resolution to authorize the use of force changed the FISA act. But it is a matter for the Intelligence Committee to get into the details of the program which, until last week, the administration has been unwilling to do.

I have great respect for my colleague Senator DEWINE, and have talked to him extensively about this issue. He and I serve on the Judiciary Committee together. I like his idea about

getting the administration to submit the program to, at least, the eight members of the Senate Intelligence Committee who, according to the press accounts, were briefed about it last week. I do not think it is adequate, as other parts of the DeWine legislation propose, to allow the surveillance to go on for 45 days, and at the end of that 45-day period to then give the administration the option of going to the FISA Court or to the Senate subcommittee. The subcommittee does not grant authorization for warrants. The subcommittee function is oversight. It is not a replacement for the Foreign Intelligence Surveillance Court.

A way is at hand to deal with this issue. The majority leader, Senator FRIST, said we have a lawful program. That opinion has weight, substantial weight in my mind, but it is not conclusive. Senator FRIST is not a judicial official. It may be that a more detailed analysis is necessary than has been presented to the Gang of 8. I don't know, because I don't know what they heard or what they learned.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11½ minutes.

Mr. DURBIN. Will the Senator yield the floor?

Mr. SPECTER. No, but I will at the conclusion of my presentation.

We ought to focus for a few moments on the importance of judicial review on the fourth amendment issues of search and seizure.

With the limited time I have left, I have only a few references, but I begin with a famous case in 1761 where a Boston lawyer defended Boston merchants who had been searched by customs house officials. James Otis gave a stirring 5-hour speech, charging the customs officers "break locks, bars, and everything in their way; and whether they break through malice or revenge, no man, no court may inquire." Very weighty words in 1761. Maybe if James Otis had seen this program, we could take his word on its constitutionality.

John Adams described this case as the spark of the American Revolution. He stated:

Then and there was the child Independence born.

Then in the Declaration of Independence in 1776, it is stated that one of the key reasons for the American Revolution involved the King allowing his officers to violate the rights of Americans and then protecting them "by a mock trial, from punishment," for the injuries that they had committed.

And then we have the fourth amendment. We need to go back to the basics of this amendment, which prohibit unreasonable searches and seizures. That is the question in this matter.

In 1916, in the Weeks case, the Supreme Court of the United States ruled that evidence obtained in violation of the fourth amendment could not be used in a criminal trial. In 1961, in Mapp v. Ohio, the Supreme Court of the United States ruled that the due

process clause of the 14th amendment prohibited States and State criminal prosecutions from using evidence obtained as a result of an unreasonable search and seizure.

We have had the Supreme Court of the United States intervene, even in time of war, to limit the President's authority. During the Korean war, President Truman cited "the existence of a national emergency" to "be able to repel any and all threats against our national security."

The Supreme Court of the United States, in *Youngstown Sheet v. Sawyer*, said the President did not have that authority. They said it exceeded his authority.

In the Hamdi case, 2004, 18 or 20 months ago, the Supreme Court stated:

We have long since made it clear that a state of war is not a blank check for the President when it comes to the rights of the Nation's citizens.

And the Court went on to say:

... whatever power the United States Constitution envisions for the Executive in its exchanges with other nations or with enemy organizations in times of conflict, it most assuredly envisions a role for all three branches when individual liberties were at stake.

We have a way through this maze. The way through the maze is for the Congress to give jurisdiction to the FISA Court. That is our job, to give jurisdiction to Federal courts. We have dealt with the issue as to whether there is a case or a controversy. There is one. Without going into details here, it is not an advisory opinion.

But this resolution calling for the condemnation and the censure of the President is out of line and out of bounds. In listening to the Senator from Wisconsin, I did not hear, at any time, him say the President has acted in bad faith. The President may be wrong, but he has not acted in bad faith. I think all would concede that the President was diligently doing the best job he can. And I agree with him. I think the President's best job is satisfactory, and that no one has ever accused him of bad faith.

In the absence of any showing of bad faith, who has standing to censure and condemn the President and then not stay in the Chamber to debate the issue? I do hope this matter is referred to the Judiciary Committee, and not to the Rules Committee. We have already had two hearings on matters relating to this subject. I especially want to see this resolution referred to the Judiciary Committee because if it is in the Judiciary Committee, I can debate Senator FEINGOLD. If it goes to the Rules Committee, I cannot debate Senator FEINGOLD. Now, isn't that a powerful jurisdictional argument for the Judiciary Committee?

Mr. DURBIN. Will the Senator yield?

Mr. SPECTER. I do.

Mr. DURBIN. First, through the Chair, I commend the Senator from Pennsylvania. As a member of the Senate Judiciary Committee, he has shown

extraordinary leadership in convening two separate hearings on this question of the wiretap issue, the first with Attorney General Gonzales which I attended and thought to be one of the more challenging and interesting committee hearings I have ever attended—it went on for a whole day—the second, sadly, was in conflict with another meeting, a Rules Committee on ethics reform and I did not attend it, but he invited constitutional scholars to come and speak to the same issue. Many on Capitol Hill may shy away from controversial issues, particularly if they involve an administration of the same party. I commend the Senator from Pennsylvania for being an exception to the rule on this issue and for speaking up and standing up.

I wish to ask a question. After listening to Attorney General Gonzales' testimony before our committee, it appears that the thrust of the constitutional argument justifying the wiretap goes back to a vote that we share, a vote we both cast in favor of authorizing the use of military force on September 18, 2001. I ask the Senator from Pennsylvania if he believed that in casting his vote for that resolution authorizing force to pursue those responsible for September 11 that he was giving the President authority to wiretap American citizens without obtaining a court order required by the Foreign Intelligence Surveillance Act of 1978?

Mr. SPECTER. No.

Mr. DURBIN. The next question I wish to ask the Senator from Pennsylvania, and I appreciate his forthright response, the majority leader, Senator FRIST, came to the Senate a few moments ago and said he believed the wiretap program of President Bush was constitutional and legal. Does the Senator from Pennsylvania agree with that conclusion?

Mr. SPECTER. I neither agree nor disagree. I do not know. As I said more extensively in the body of my comments, I do not have any basis for knowing, because I do not know what the program does. I think it may be that the program could be structured as going after only al-Qaida conversations. And I would like to see some proof of that. Quite frankly, I would like to see some proof that they have reasonable grounds to think one party or the other is al-Qaida. That is in the body of Senator FEINGOLD's whereas clauses.

It may be that they have been able to take a limited amount of information, destroying the rest, and that it has produced very important results with a minimal incursion. I do not know the answers to those questions. But I certainly think you ought not castigate the President as a criminal until you do know the answers to those questions.

Mr. DURBIN. If the Senator will yield for a further question.

Mr. SPECTER. I do. And I want to thank you for being here in Senator FEINGOLD's stead.

Mr. DURBIN. Well, I am standing here—

Mr. SPECTER. You are a little tougher to debate than he, but I thank you for coming.

Mr. DURBIN. I would like to ask the Senator from Pennsylvania one last question.

When you referred to the suggestions of our colleague, Senator DEWINE, on the Judiciary Committee, and other proposals to change the law that might accommodate what we are now seeing in this wiretap program, is that not an admission that what is going on now is violative of law or at least outside the bounds of the laws as written which authorize wiretaps?

Mr. SPECTER. No, I do not think it is an admission because, like consent, it has to be informed. And I do not think he is informed. I do not think anybody is informed. I do not think Senator DEWINE intends to make an admission. I think Senator DEWINE, in good faith—very good faith—is searching for a way out. And I think he made a significant step forward when his actions resulted in seven members of the Senate Intelligence Committee being briefed. The reason I say "I think" is because I do not know what they were told. But I think that is a significant step.

Senator DEWINE's proposal of legislation to allow the program to go on for 45 days is no concession. It is going on anyway. His idea to bypass the FISA Court and allow the Administration instead to go to the Intelligence Subcommittee, I think, is not appropriate because the Intelligence Subcommittee does not have the function of a court.

So I think he is doing the best he can. But right now we are flying blind on a great deal of this, and we have to accept very limited representations by the Gang of 8, and now the new Gang of 7. And no matter what, it does not amount to judicial review.

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

Mr. REID. Mr. President, I have an important announcement to make.

Will my friend yield to me?

Mr. SPECTER. I do.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired. The Senator does not control time.

The Senate minority leader is recognized.

#### DEATH OF MAGGIE INOUE

Mr. REID. Mr. President, at 4 o'clock this afternoon, an hour and 15 minutes ago, Maggie Inouye died. I had the good fortune of being able to visit with the Inouyes Friday night.

On behalf of the entire Senate, I extend condolences to Senator INOUE and his son Daniel Jr. This wonderful couple had been married 57 years. They were married in 1949. Senator INOUE proposed to Maggie on their second date. Daniel Jr. goes by the name of Ken. He has been at his mother's side, as has Senator INOUE, for many days.

She was a wonderful woman. She formerly taught at the University of Ha-

waii. She was such a steadfast supporter of her husband in everything that he stood for.

Anyone who has spent any time at all with them knows how much they cared for each other, loved each other. Her death brings sadness to the entire Chamber because it is a loss for the entire Senate family.

Senator INOUE is a very nonpublic person. He holds everything very close to his vest, and he was not someone who came to luncheons or meetings with us and talked about his wife's illness. That was a personal thing for him.

But she needed the support of her family. She had a very difficult time. She will now have peace, and to a certain extent so will Senator INOUE because he has suffered with her.

Senator INOUE is such a wonderful human being. In my visit with him and Ken on Friday,—his wife was there but in another room—we talked about a lot of things. We laughed a little bit. We cried a little bit. Here is a man who is a true American patriot. We throw those words around a lot, but we are not throwing this word around. DAN INOUE is a true American patriot who served with distinction and valor during World War II, and that is an understatement. He was awarded the Congressional Medal of Honor for courage above and beyond the call of duty.

Senator INOUE will be away from the Senate for a while. He is going to take Maggie back to Hawaii. But I wish my words were adequate to convey my personal affection for Senator INOUE and that of the entire Senate, but they are not. So the RECORD will have to stand on that.

Mr. DURBIN. Mr. President, if the Senator will yield for a moment?

Mr. REID. Mr. President, I am happy to yield.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank Senator REID for bringing this sad news to the attention of the Senate family. There are many things that divide us, but there are things that unite us. We are united when Members of our Senate go through personal tragedy. Senator REID knows better than anyone on our side of the aisle the personal sacrifices Senator INOUE has made over the last months and years as his wife has gone through this serious illness.

It is clear, from what he has given of his life, he took his vow very seriously to stand by her in sickness and in health. It is a tribute to this man, his devotion, and to their love which sustained them for 57 years.

I thank the Senator from Nevada for bringing this to our attention. We all join in expressing our sadness at her loss and will stand by Senator INOUE and his family to ask them to try to remember, at this time of loss, those good memories of times together. We hope those memories will sustain their family.

I thank the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, it has already been announced that Senator INOUE's wife Maggie has passed away.

I ask unanimous consent that the statement made by my great friend about his wife be printed in the RECORD.

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

STATEMENT BY U.S. SENATOR DANIEL K. INOUE ON THE PASSING OF HIS WIFE, MAGGIE INOUE

WASHINGTON.—I am saddened to report that my dear and lovely wife of nearly 57 years, Margaret Awamura Inouye, passed away today at 4 p.m. Eastern Standard Time at Walter Reed Army Medical Center. She was 81, and her death was due to complications resulting from colon cancer.

"Maggie was recently hospitalized because an examination found small blood clots and some fluid in her right lung, and she had been undergoing a process of draining out the fluid and dissolving the blood clots.

"This most recent medical challenge came after Maggie underwent surgery in November 2004 to remove a cancerous growth from her large intestine. Her surgeons had pronounced that operation a success.

"As she has done throughout her life, Maggie handled her difficult situation without complaint, and with dignity and grace. Although her chemotherapy treatments would leave her drained, she always had a smile for you and she retained her optimistic outlook.

"It was a most special blessing to have had Maggie in my life for 58 years. She was my inspiration, and all that I have accomplished could not have been done without her at my side. We were a team. She always supported me, listened to my ideas, and many times offered invaluable suggestions that always proved she was capable of achieving as much on her own right, given her intelligence and education. Instead, she chose to join me on a special journey that took us to Washington, and gave us the privilege of serving the people of Hawaii.

"On the campaign trail, she was invaluable. During my first race for the U.S. Senate in 1962, legislative work in the U.S. House permitted me to make only short trips back to Hawaii. I was facing a formidable opponent, the son of the wealthiest man in Hawaii. Both Time and Newsweek magazines didn't think much of my chances of winning. But Maggie put some magic into my campaign. She returned to Hawaii that June, and spent seven days a week visiting every island and making hundreds of speeches on my behalf. When I finally did get back in October, my campaign manager met me at the airport and said, 'We're glad to have you, but Maggie's been doing great.' I won, and I won big. In my heart, I know that without her I could not have won that pivotal race that put me on the path to become a United States Senator.

"I first met Maggie in the autumn of 1947, a week before Thanksgiving, when we were introduced to each other. She was already known as a poised, graceful, articulate, and gentle lady from a good family who was very much ahead of her time. Back then, few women went to college. But Maggie not only earned her undergraduate degree in education from the University of Hawaii, she went on to earn a master's in education from Columbia University in New York City. With her graduate degree, she returned home to Hawaii, and began her career as a speech instructor at UH.

"I, too, had returned home—from the war and from my injury rehabilitation regimen that I had undergone on the mainland. I was enrolled at the University of Hawaii, and was still trying to chart my future. However, I was certain of one thing almost immediately after I met Maggie: I was going to marry her. I don't think the possibility of marriage had ever occurred to me before that moment, but afterward it never left my mind. Everything I had and wanted to have suddenly became absolutely meaningless unless Margaret Awamura would share it with me.

"On our second date on December 6, 1947, I asked her to marry me. Without hesitation, she said, 'Yes.' Her answer made me feel like I was in heaven. She was willing to have as her lifelong partner a man who at that time was nothing more than a combat veteran on the GI Bill whose future was still uncertain. Her numerous other suitors had much more to offer, as they were already professional men.

"During the 18 months before our marriage on June 12, 1949, we were an unusual couple on the UH campus. She was an instructor; I was an underclassman. Of course, it was Maggie's salary as a teacher at the university that saw us through those first years of our marriage.

"In the early 1950s when I was studying at George Washington to earn my law degree, Maggie was the breadwinner, while I contributed what I received from my GI education benefits and my pension as a retired Army Captain. While I was in class, she was working at the Department of the Navy's Bureau of Yards and Docks, first as a file clerk and soon she was promoted to administrative secretary.

When we returned to Hawaii, I went to work for the City and County of Honolulu as a Deputy Public Prosecutor, while Maggie returned to the University of Hawaii as an instructor in education. It was a position she would hold for six years.

"In 1964, five years after she left UH, Maggie gave birth to our son, Daniel K. Inouye, Jr. That was a most special day, perhaps because we became parents at a rather late stage in our lives.

"Kenny and I—as well as the people of Hawaii—were blessed to have had Maggie in our lives. She was a most special woman, and she will always be in my heart."

In addition to Senator Inouye and Daniel K. Inouye, Jr., Mrs. Inouye is survived by five sisters, Edith Satow of Carmarillo, California; Grace Murakami of Honolulu; Betty Higashino of Orinda, California; Shirley Nozoe of Honolulu; and Patricia Tyler of Sudbury, Massachusetts. Funeral arrangements are pending.

MARGARET AWAMURA INOUE AT A GLANCE

#### Personal

Born on June 23, 1924, in Wailuku, Maui.

Married Daniel K. Inouye on June 12, 1949. One son.

#### Education

Kaiulani School, Honolulu.

Central Intermediate School, Honolulu.

Roosevelt High School, Honolulu.

University of Hawaii at Manoa, bachelor's in education, 1946.

Columbia University, New York, master of arts, 1947.

#### Career

Instructor in speech, University of Hawaii, 1947–50.

File clerk and later promoted to administrative secretary, Bureau of Yards and Docks, Department of the Navy, Washington, DC, 1950–52.

Instructor in education, University of Hawaii, 1953–59.

#### Recent Honors

The Dan and Maggie Inouye Distinguished Chair in Democratic Ideals at the University of Hawaii.

In 2005, Maggie Inouye was selected as one of Roosevelt High School's most distinguished alumni.

In 2003 at the Philadelphia Kvaerner Shipyard, she christened Matson's new container ship, *MV Manukai*.

Mr. AKAKA. Mr. President, I thank the Chair for this time.

Mr. President, on behalf of my wife Millie and my entire family, I rise to express our sincere sympathies, our deepest condolences, and our warmest aloha to my dear friend and my colleague, Senator DANIEL K. INOUE, for the loss of his lovely wife Maggie, who passed away this afternoon.

Over the past year, whenever I spoke to Senator INOUE, I would ask him about Maggie, and his reply to me was: She is a trooper. She is doing the best she can. And that really sums up it so well about Maggie.

Maggie was definitely a trooper. She was a wonderful, wonderful lady who served our country as a Senate spouse for the past 40-plus years. Maggie was a classy woman who was well respected everywhere she went. She had a heart of gold and will definitely be missed by the people of Hawaii and the families here in Washington, DC. My thoughts and prayers go to Senator INOUE, to his son Kenny and his wife, their extended family, and all of the Inouye staff here and in Hawaii. We stand waiting to do whatever we can to help in this difficult time. We will miss Maggie. May Maggie's soul rest in peace.

Mr. LAUTENBERG. Mr. President, I rise standing near our friend and colleague from Hawaii as we think about his colleague in the Senate and the fond relationship they enjoyed. If a poll was conducted in this Chamber or among the Members of this Chamber, if you said: Who is the most respected, beloved, wise Member of the U.S. Senate, you would come up with only one name, not that there aren't others of friendship and good will and intellect and all of those things, but DANNY INOUE is the exceptional person. His demeanor was quiet and thoughtful and always helpful, and he served his country in a way that few have in our history, having lost his arm in Italy and fighting on to lead his troops.

I give you that background that all of us are so familiar with: a Medal of Honor winner, a distinction so rarely given, only to true heroes, to true leaders. But DANNY is a multidimensional person. He always had room for friendship, warmth, and affection, and his companion of 57 years, someone he always talked of with respect and admiration, and the linkage was true and fast. He relied on some people for advice and counsel and always cleared the air with his own thinking. But Maggie, his wife, was someone who was such an integral part of DANNY INOUE's living that this moment is especially tragic. He looked after her

with love and affection and talked to those with whom he had contact about her, never really resigning in tone or in words the fact that she was not doing well.

So when a Member, a friend like DANNY INOUE loses his dearest friend, his beloved wife of 57 years, their relationship, we all feel sadness, we all feel touched by his loss and want him and his family, his son and all of the Inouye family, to know that we all care, we all share DANNY'S grief. We all are ready to stand with him as friends and try to bolster his view about the future by reminding him how valuable he is to all of us and that we understand his pain, his anguish, and the sadness he feels. I think I speak for many in this Chamber: We want to express our feeling and devotion to DANNY INOUE, friend, soldier, leader, our sadness, our grief at this terrible loss he has sustained.

I yield the floor.

Mr. WYDEN. Mr. President, I join with the other Senators in expressing my sadness tonight as to Senator DAN INOUE'S loss. I think all of us see Senator INOUE as the gold standard of caring. He has always cared about his constituents. He has always cared about his colleagues. But, most of all, he has cared about his family, and he threw himself with every ounce of his energy and strength into caring for his spouse who has passed today.

It is important for the Senate to note that in addition to his caring, what Senator INOUE is best known for is his quiet sense of dignity. This is a place where it can get loud and clamorous at times, and what DAN INOUE has always done is to try to always take the quiet path, to lower the decibel level, to try to get Senators to keep a perspective. That is why he always put his family first.

There are many fine people in the Senate, but when we think about our colleague DAN INOUE tonight and all he did for his spouse in those last few months, there is no better person, no better colleague, no better friend all of us could have than DAN INOUE. I just wanted to, along with my colleagues, let him know he is in my thoughts and prayers tonight.

Mr. SESSIONS. Mr. President, I join my colleagues in expressing our sincere sympathy to Senator INOUE on his loss. He is certainly one of the finest, most respected Members of this body. He is one of the great Senators who have served here and has been a true American patriot, serving his country with such fidelity and putting his very life on the line, and nearly losing it, and winning the Nation's highest honors in the course of serving his country.

So I would just say from this Senator, and on behalf of so many of us, we are sorry to hear this news, and our prayers and support are with Senator INOUE at this time.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise this evening to talk about the budget that is before the Senate. But before I do, I want to add my voice to my colleagues who have come out here to express their condolences to our colleague, Senator INOUE, on the loss of his wife and long-time partner. Certainly, as the Senator from New Jersey said, Senator INOUE is the most respected Senator in this body, and he served his country well. Mrs. Inouye, too, has served her country by allowing Senator INOUE to be such a historic figure in this country and such a great leader and by all the time that was demanded by that. She has served her State, she has served her country, and we are all grateful. And to Senator INOUE, he and his family are in my thoughts and prayers as well.

Mr. BAUCUS. Mr. President, I would like to offer my deep condolences to our good friend and colleague, DAN INOUE, and his family and to the people of Hawaii on the death of our friend DAN'S wife, Maggie, who died this afternoon.

The death of anyone is cause for grief. The death of a spouse is an even greater cause for grief. The death of the spouse of a good friend, DAN INOUE, is even more grievous to all of us.

Knowing DAN INOUE as we do, we are all hard pressed to find anyone who is as wonderful and caring, a statesman, generous, as wise a man as DAN INOUE. A Japanese American under the most difficult of circumstances, he served his country—and served it with tremendous valor.

His wife Maggie I did not know well. You can tell a lot about a person in the first 5 or 10 minutes of just meeting someone. Maggie was just like DANNY—very wise, very deep, very caring, very generous, classy like DAN.

I say to DAN, to his family, and to the people of Hawaii, you all have our hearts, you have our prayers, our thoughts are with you as well as with Maggie in this most difficult time. Know that we are thinking of you, we are praying for you and for your family.

Mr. FRIST. Mr. President, I come to the floor on a matter of great sadness for the Senate family. Today, at 4 p.m. at the Walter Reed Army Medical Center, after a long and difficult struggle with colon cancer, Margaret Awamura Inouye, the lovely and gracious wife of Senator DAN INOUE, passed on.

On behalf of my colleagues, I offer my deepest condolences to the esteemed senior Senator from Hawaii. Our hearts go out to the Inouye family as they mourn their loss.

DAN and Maggie were married for 58 blessed years. They met in Hawaii in 1947 right before Thanksgiving. He had just returned from the war and rehabilitation. She was back from Columbia University with a master's degree in education.

For DAN, it was love at first sight. And he didn't hesitate to make his in-

tentions known. He popped the question on their second date, and to his great, good fortune, she said yes.

For nearly 6 decades, she stood by him, encouraged him, and believed in his success. DAN credits Maggie for putting him on the path to becoming a U.S. Senator. Without her, he said he couldn't have made it.

The Senator tells us that Maggie handled her illness with dignity and grace—that she always had a smile and kept a bright outlook.

Mrs. Inouye is survived by her husband, DAN, their son, Dan Jr., and her five sisters, Edith, Grace, Betty, Shirley and Patricia.

Our thoughts and prayers go out to the Inouye family.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN. Mr. President, if I might ask to be recognized for 3 minutes on the budget resolution now pending.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Thank you very much.

Mr. President, I would like to conclude the matter raised between Senator SPECTER and myself about the resolution brought to the floor by Senator FEINGOLD.

I heard yesterday that Senator FEINGOLD was going to offer this resolution. I did not realize he would do it today. I have spoken to Senator FEINGOLD, and I believe it is his intention not to bring this to a vote today, as some have suggested, but, rather, to use this as a catalyst to bring about the kinds of hearings and investigations that this Congress owes to the people of the United States on the wiretap program.

I have saluted Senator SPECTER earlier for his leadership on the Senate Judiciary Committee. I am sorry the Senate Intelligence Committee, given a chance to do the same thing, failed to exercise its oversight responsibility on this same program.

I think it is important, regardless of party affiliation, that we ask the critical constitutional and legal questions about this wiretap program. This resolution by Senator FEINGOLD will be a catalyst for that type of investigation, those types of hearings. Whether that results in a censure of the President or any further action against the President remains to be seen. But it certainly says to the American people, we are not going to ignore what could be one of the most serious constitutional issues to come before this Government in decades.

I have read this resolution Senator FEINGOLD has offered. I agree with Senator SPECTER, I do not think when we voted to go to war against the Taliban we said to the President that he could ignore the law, that he could go about wiretapping Americans without court approval. That is basic to America.

The President has said over and over publicly, if we are going to wiretap people, we will get court approval. Well, it turns out that is not the case

at all. I do not know how often because I have not been briefed on the details, but apparently on many occasions this Government has wiretapped the conversations of American citizens without court approval. The President and the administration have not followed the clear letter of the law. That is an important and serious constitutional question.

I think the resolution being brought to us by Senator FEINGOLD will cause us to look anew at this critically important issue. Whether it results in any action by Congress, as I said, remains to be seen. But I think it is important that we accept this challenge by the Senator from Wisconsin and that hearings be held in the Judiciary Committee, if that is where the resolution is eventually referred, and possibly even in the Intelligence Committee.

I hope the Intelligence Committee will start to move on this on a bipartisan basis. It has historically been a bipartisan committee. But recently in the last few weeks there have been many important votes taken on partisan rollcalls, votes relative to the authority and exercise of that authority by this committee in investigating this Bush administration.

It would be good if the committee could return to its bipartisan ways. I think it would give the institution of the Senate a vote of confidence that we can stand and investigate Presidents of either political party if there is serious and important policy questions to be determined.

I yield the floor.

Mr. SESSIONS. Mr. President, what is the time agreement?

The PRESIDING OFFICER. There is a previous order that at 5:30 we will move to executive session and proceed to a vote on Calendar No. 520.

Mr. SESSIONS. Mr. President, I think back to a young Senator INOUE, serving in our military, putting his life at risk and nearly losing it for our country. One thing he had a right to expect of his Congress was, as a soldier, he would be supported in the conflict.

We are here today hearing of a resolution presented by Senator FEINGOLD to censure the President of the United States. It is baseless. It is not sound in law, and it is not sound in policy. We, by over a three-quarters vote, voted to send our soldiers in harm's way. This Senate voted to do that. We authorized the President, in a use of force resolution, to identify those responsible for attacking us and to attack and destroy them, to use such military force as he deemed appropriate to attack and kill them. And our soldiers have been doing that.

The Supreme Court recently had to deal with the situation in which an American citizen was captured abroad, Hamdi. They caught him. It went before the Supreme Court of the United States, and the issue was whether he was entitled to a trial.

The question was, Was he entitled to a trial? The Supreme Court held other-

wise. The Supreme Court said that he was a prisoner of war, and the authorization of military force authorized the military to attack and kill enemies of the United States. It also authorized them to capture them. That was incident to the use of military force.

It is quite plain that our history of military affairs supports the concept that surveilling in a time of war is incident to the carrying on of war. In the same way that we have a right to take an American citizen and lock them up in jail without trial if they are identified to be with the enemy, we can surveil the enemy's communications.

The President authorized simply this: al-Qaida conversations in which one of the parties to that conversation is outside the United States could be monitored. We know it was through those kinds of communications that 9/11 occurred. We had sleeper cells here activated by foreign communications.

It is wrong to undermine this President while we have our soldiers at war and at risk, to suggest that he has done something wrong and needs to be censured.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SESSIONS. I express my strongest disapproval of the propriety of this resolution.

#### EXECUTIVE SESSION

#### NOMINATION OF LEO MAURY GORDON TO BE A JUDGE OF THE UNITED STATES COURT OF INTERNATIONAL TRADE

The PRESIDING OFFICER (Mr. ALEXANDER). Under the previous order, the hour of 5:30 p.m. having arrived, the Senate will go into executive session and proceed to a vote on Calendar No. 520, which the clerk will report.

The legislative clerk read the nomination of Leo Maury Gordon, of New Jersey, to be a judge on the United States Court of International Trade.

Mr. LEAHY. Mr. President, this evening the Senate will consider another lifetime appointment to a circuit court. The nominee is Leo Maury Gordon, who is nominated to serve on the U.S. Court of International Trade. Mr. Gordon is the court's longtime clerk, and he is very familiar with its important work. I urge all Senators, Republican and Democratic, to support this nomination.

His confirmation will bring the total number of judicial appointments since January 2001 to 232, including the confirmations of two Supreme Court Justices and 43 circuit court judges. Of course, 100 judges were confirmed in the 17 months that Democrats were in the Senate majority. In the other 45 months, 132 judges have been confirmed. Ironically, under Democratic leadership, the Senate was almost twice as productive as under Republican leadership.

It is most regrettable that this President has not fulfilled his promise to

the American people to be a uniter. Nor has he fulfilled his pledge to complete his work in advance of vacancies and to make nominations promptly. Judicial vacancies have grown to more than 50, and the White House has failed to send a nominee for more than half of those. Some of those vacancies have been sitting empty for more than a year. Over and over the White House has missed the deadline the President established for himself, and today, half of the judicial vacancies, 27, are without a nomination. One-third of those vacancies are already more than 180 days old, and one-third of the judicial emergency vacancies are without a nominee.

If the White House would eliminate its partisan political and ideological litmus tests from the judicial nominations process and its emphasis on rewarding cronies and focus only on qualifications and consensus, the job of selecting nominees and our job of considering them for confirmation would be much easier. That is what this confirmation demonstrates.

Recently we have seen the President withdraw a circuit nomination after information became public about this nominee's rulings in a number of cases in which he appears to have had a conflict of interest.

At a minimum, this case reinforces a point about this White House's poor vetting process for important nominations. A number of nominations by this President have had to be withdrawn. Among the more well known are Bernard Kerik to head Homeland Security and Harriet Miers to the Supreme Court, which were withdrawn for different reasons. It was, as I recall, reporting in a national magazine that doomed the Kerik nomination.

When we are considering lifetime appointments of judicial officers who are entrusted with protecting the rights of Americans and when we are reviewing important law enforcement officials, it is important to be thorough. Unfortunately, this White House seems more interested in rewarding cronies.

Ms. CANTWELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Leo Maury Gordon to be a judge of the United States Court of International Trade?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Georgia (Mr. CHAMBLISS), the Senator from Minnesota (Mr. COLEMAN), the Senator from Idaho (Mr. CRAIG), the Senator from Nevada (Mr. ENSIGN), the Senator from Wyoming (Mr. ENZI), the Senator from Georgia (Mr. ISAKSON), and the Senator from Alaska (Ms. MURKOWSKI).

Further, if present and voting, the Senator from Minnesota (Mr. COLEMAN) would have voted "yea."

Mr. McCONNELL. The following Senators were necessarily absent: the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Oregon (Mr. SMITH).

Mr. DURBIN. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. DAYTON), the Senator from Hawaii (Mr. INOUE), the Senator from South Dakota (Mr. JOHNSON), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. MENENDEZ), the Senator from Maryland (Ms. MIKULSKI), the Senator from Florida (Mr. NELSON), and the Senator from West Virginia (Mr. ROCKEFELLER) are necessarily absent.

I further announce that if present and voting, the Senator from Minnesota (Mr. DAYTON) would vote "yea."

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

The result was announced—yeas 82, nays 0, as follows:

[Rollcall Vote No. 37 Ex.]

YEAS—82

Akaka	Dole	McCain
Alexander	Domenici	McConnell
Allard	Dorgan	Murray
Allen	Durbin	Nelson (NE)
Baucus	Feingold	Obama
Bennett	Feinstein	Pryor
Biden	Frist	Reed
Bingaman	Graham	Reid
Bond	Grassley	Roberts
Boxer	Gregg	Salazar
Brownback	Hagel	Sarbanes
Bunning	Harkin	Schumer
Burns	Hatch	Sessions
Burr	Hutchison	Shelby
Byrd	Inhofe	Snowe
Cantwell	Jeffords	Specter
Carper	Kennedy	Stabenow
Chafee	Kerry	Stevens
Clinton	Kohl	Sununu
Coburn	Kyl	Talent
Cochran	Lautenberg	Thomas
Collins	Leahy	Thune
Conrad	Levin	Vitter
Cornyn	Lieberman	Voinovich
Crapo	Lincoln	Lott
DeMint	Lott	Warner
DeWine	Lugar	Wyden
Dodd	Martinez	

NOT VOTING—18

Bayh	Enzi	Mikulski
Chambliss	Inouye	Murkowski
Coleman	Isakson	Nelson (FL)
Craig	Johnson	Rockefeller
Dayton	Landrieu	Santorum
Ensign	Menendez	Smith

The nomination was confirmed.

#### LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

The Senator from North Dakota.

#### ORDER OF PROCEDURE

Mr. CONRAD. Mr. President, I ask unanimous consent that Senator AKAKA and Senator LAUTENBERG be authorized to speak on the death of Senator INOUE's wife, Maggie, and then that Senator WYDEN be recognized for 12 minutes, Senator MURRAY for 15 minutes, and Senator BAUCUS for 15 minutes.

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

#### SNOWE-WYDEN AMENDMENT TO LIFT NEGOTIATION RESTRICTIONS ON MEDICARE

Mr. WYDEN. Mr. President, on this difficult evening, I wish to take just a few minutes to talk about the budget.

Last Congress, Senator SNOWE and I, on a bipartisan basis, saw 51 Members of the Senate support our bipartisan legislation to lift the restriction on Medicare so that program could bargain to hold down the cost of medicine. That vote, where a majority of Senators went on record in supporting the effort to hold down the cost of medicine, took place before the program went into effect. It seems to me everything that has happened over the last few months, since a majority of the Senate voted for our bipartisan amendment, supports our case for passing that legislation now.

We will be offering our bipartisan proposal, the Snowe-Wyden amendment, later this week, and I wish to take just a few minutes to outline why it is so important.

The American Association of Retired Persons says it all in a letter endorsing our bipartisan Snowe-Wyden proposal. I ask unanimous consent that the AARP letter endorsing the Snowe-Wyden legislation be printed in the RECORD.

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

AARP,  
March 13, 2006.

Hon. RON WYDEN,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR WYDEN: AARP supports your amendment to the Senate fiscal year 2007 budget bill to provide for the ability of the Secretary of Health and Human Services to participate in negotiations with pharmaceutical manufacturers under the Medicare prescription drug program.

Prescription drug prices continue to rise much faster than the rate of inflation. AARP's latest Rx Watchdog report released in February 2006 found that prices for nearly 200 of the brand name medications most commonly used by older Americans rose 6.0 percent during the 12 month period from October 2004–September 2005. At the same time, the rate of general inflation was 3.3 percent. These drug price increases particularly hit older Americans, who use prescription drugs more than any other segment of the U.S. population.

Millions of older and disabled Americans now have the opportunity to choose prescription drug coverage as part of their 2006 Medicare benefit options. To date, millions of Medicare beneficiaries have enrolled in the program and as a result are realizing savings on their prescription drugs. However, improvements to the Medicare Modernization Act are necessary to strengthen the benefit and the Medicare program. We believe the first step is to keep the drug benefit affordable for beneficiaries as well as taxpayers.

While we have seen that the current competitive structure existing in the MMA has helped to bring prescription drug prices down, we believe that giving the Secretary the authority to participate in negotiations may also help to make prescription drugs more affordable for Medicare beneficiaries.

We look forward to working with you and your colleagues on both sides of the aisle to

ensure that the new Medicare Part D benefit remains affordable over time. If you have any further questions, please feel free to contact me, or have your staff contact Anna Schwamlein of our Federal Affairs staff at 202-434-3770.

Sincerely,

DAVID P. SLOANE,  
Sr. Managing Director,  
Government Relations and Advocacy.

Mr. WYDEN. Mr. President, as AARP notes—and they publish an Rx Watchdog report—they have noted that for the nearly 200 brand-name medications most commonly used by older people, the costs of those medicines have gone up twice the rate of inflation. So all Americans get hit by prescription drug costs. Particularly hard hit are older people, and low-income older people, and people with very big prescription drug bills. As noted by AARP, these seniors are hit more than any other segment of the U.S. population by prescription drug costs.

At a time when the costs of this program and the costs of Government have gone through the stratosphere, one would think the Government would be doing everything possible to hold down costs. Yet, unfortunately, in the original prescription drug legislation, a bizarre restriction was put in place that literally bars the Government from being a smart shopper. Everybody else in this country tries to use their clout in the marketplace to get the best possible deal, but not Medicare—not Medicare, which offers a benefit to more than 30 million older people. They are not using the opportunity to go into the marketplace and hold down the costs.

I compare the Government's approach to buying prescription drugs under Medicare to somebody going into Costco and buying toilet paper one roll at a time. Nobody would shop that way. No savvy shopper would ever give up, even before they walked into the store, the opportunity to hold down the costs. But that is what Medicare is doing, and that is what Senator SNOWE and I want to change.

Now, we have seen over the last couple of months older people and their families absolutely up in arms, up in arms about the frustrations of getting this prescription drug program out and usable in a commonsense kind of fashion. It is far too complicated. There are far too many alternatives. Some seniors say that even with a Ph.D. they can't sort it out. But what is especially troubling is at a time when the costs of the program continue to go up and up and up, the Government isn't even taking commonsense steps to hold down the cost of these medicines.

So what Senator SNOWE and I have tried to do in a bipartisan effort for going on 3 years now is to make sure that when necessary the Secretary of Health and Human Services can negotiate for the best possible prices of prescription drugs for older people.

Now, this isn't price control. Specifically, our bipartisan amendment stipulates that the authority granted here

cannot be used to set prices or to set a uniform formulary. Nowhere in this amendment is there a call for price controls or anything that can be interpreted as price controls. This is about using marketplace forces. This is about using the market just as millions of Americans do every day to hold down the cost of medicine.

Senator SNOWE and I believe one of the most flagrant mistakes in the Medicare law—and both of us voted for that legislation—was to write into law that the Secretary could not have bargaining power under any circumstances at all. We have seen drug prices increase, as AARP has noted, far higher than the rate of inflation. The Wall Street Journal has reported price spikes. The Congressional Budget Office has indicated there can be savings from negotiations in the area of single-source drugs that do not face competition, and suffice it to say, many of the single-source drugs are ones that are commonly used by Medicare patients, such as Lipitor and Zocor and Prevacid.

I will wrap up, Mr. President, with only a couple of additional points because I know my colleague from Washington has been very patient. The authority that Senator SNOWE and I seek to grant to the Department of Health and Human Services is the authority that Secretary Thompson at his last press conference as head of the Department of Health and Human Services, said he wished he had. So the last head of that agency, at a time when they were moving to implement the prescription drug law, said specifically he wished he had had this authority.

The last point I would make, Mr. President, is that some have said: Well, seniors are seeing some savings already. If that is the case, we are glad to see it, but it comes about because the basic benefit covers 75 percent of the cost of the drug after the \$250 deductible. So the question for the Senate is where are you going to look in order to hold down the cost of this program? Are you going to look at taxpayer subsidies? Are you going to look at marketplace forces? Senator SNOWE and I believe that at a time when the costs of Government are soaring and the costs of this prescription drug benefit are soaring, we ought to use commonsense marketplace principles to hold down the cost of medicine, not continue to rely on taxpayer subsidies, and that is what our amendment is all about.

Mr. President and colleagues, I do not know of a single private sector entity, whether it is a timber company in my home State of Oregon, or a big auto company in the Midwest, that when they are buying something in bulk, say: What about the possibility of some discounts? So why shouldn't Medicare ask that question, just to have that authority so as to make marketplace forces work? Why wouldn't we want to assure that there is every possible tool to help seniors hold down the costs of medicine?

We will debate this at greater length in the course of the week. As I noted, Senator SNOWE and I received 51 votes, a majority of the Senate, for this legislation before the program went into effect. I would just say to our colleagues tonight, everything that has happened in the last few months suggests that there is an even better case for the bipartisan Snowe-Wyden amendment to hold down the costs of medicine.

Mr. President, with that I yield the floor.

#### THE BUDGET

Mrs. MURRAY. Mr. President, I have risen tonight to express my deep concerns about the budget that is before us. I am concerned that the budget that this Senate is now considering does not pass the test of protecting our homeland. It does not pass the test of promoting fiscal responsibility. And it does not pass the test of fighting for our middle-class families.

Let me start by putting this discussion in the right context. The budget decisions that we make now will either empower us or tie our hands when we turn to write the appropriations bills this year. That means you cannot vote for an unrealistic budget now and then act surprised in the summer and fall when painful cuts are required. Just look at what happened last year. The logjam that we experienced at the end of last year was not a surprise. It was the logical outcome of decisions that were made regarding the budget.

Starting last March, many of us saw that there was no way we could meet our obligation to our veterans, honor our commitment to America's working families, enact huge cuts in entitlement programs such as Medicaid and Medicare, enact another round of tax cuts, and continue to cut our Nation's deficit. And when you added the growing cost of the war and Hurricane Katrina, the legislative train wreck was entirely predictable. I hope we do not repeat the same mistakes this year—starting with the wrong priorities and unrealistic assumptions here in the budget process which will lead to constrained appropriations bills that will end up hurting our American families.

Mr. President, a budget is more than just a bunch of numbers on a piece of paper. It is a statement of our values, and it reflects our priorities. The budget this Senate is now considering closely follows the President's budget, and it is based on the wrong priorities. It is clear to me that we need to invest here at home to make our country strong again. That means investing in education and in health care, in infrastructure and housing, in safety and security, and on each of those fronts the Bush priorities have been time and again misguided, adrift, and downright painful for millions of Americans.

You know, Mr. President, when I am at home in Washington State or here in the Nation's Capital I hear a lot of con-

cern from the business community, from local governments, and from families across the United States about us losing our global competitiveness. They talk to me about the challenges they face in keeping and growing good jobs right here at home, and they tell me that education is one of the elements for our success. But last year's budget, the fiscal year 2006 budget, set us on the path of undermining our competitiveness by weakening educational programs at all levels, and I fear that this budget, the fiscal year 2007 budget, will do the exact same thing.

Last year's budget, the 2006 budget so constrained education, the Labor, Health and Human Services and Education appropriations bill failed once in the House and almost did not pass at all. In the end, the programs faced one last hit, a 1-percent across-the-board cut that further hindered education at all levels.

At a time when our schools are facing the increasing requirements of No Child Left Behind, our families are facing rising college tuition costs, and employers are crying out for highly skilled, educated workers, this is no time for our Nation to be short-changing education.

Because of laws Congress has passed and President Bush has signed, school districts are facing increasingly rigorous academic standards and working very hard to meet the new requirements for highly qualified teachers.

How has Congress responded? Well, a majority in this Congress cut funding for the No Child Left Behind Act by 3 percent, or \$13.1 billion below what was promised when we passed that bill. The fiscal year 2006 budget from last year also led the Government to slide backwards on its commitment to students with disabilities for the first time in 10 years. The Federal share of educational costs dropped from 18.6 percent in 2005 to 18 percent in 2006. Funding for disadvantaged students eligible for title I was inadequate. The fiscal year 2006 funding from last year is \$9.9 billion less than what Congress and President Bush committed to spending in that law. That bill would leave behind 3.1 million students who could be fully served by title I if the program were funded at the level to which we committed.

The reason I feel the need to talk about last year's budget at length is to put this year's budget proposal in context because the budget we are considering, the 2007 proposal, continues that dangerous trend. The President proposed the largest cut to education in 26 years. Sadly, this budget resolution makes it impossible to restore those proposed cuts. It would eliminate vocational and technical training efforts and college prep programs that have been so successful, such as TRIO and GEAR UP.

This year, unless we change course, \$11.9 billion is going to be cut from student loans, loans that help our low-income and middle-income families pay

for college, and 70 percent of those cuts is going to come right out of the pockets of students and their families.

Those cuts, by the way, will not go for balancing the budget. They are going to go for tax cuts for those who need them the least. We are trading the higher education of the Nation's families for our majority's misguided fiscal policy.

Tuition and fees increased by 7.1 percent this year for 4-year public universities and 5.9 percent for private universities. The policies that are pursued in this budget are not just wrong for our country, they are going to cost our Nation dearly in the long term. Today, one-third of the U.S. workforce has a postsecondary education—one-third. But it is estimated that 60 percent of the new jobs in the 21st century are going to require a college education. Workers who have attended college on average have higher incomes and lower rates of unemployment than those who don't. And those with a college education are more likely to have jobs with benefits like health care and retirement and pension plans.

We should be helping to break down the barriers to a college education, not building them up with this budget. We will not succeed in preparing our students for the 21st century by cutting their support, and we will put our country at a competitive disadvantage as we confront the world's challenges unless we change course.

On the workforce issue, the GAO has said that business and customer satisfaction with our workforce system has never been better. But this President is now proposing hundreds of millions of dollars in budget cuts that effectively dismantle our local one-stop system of providing training and employment services for our workers.

I have 5,000 people in my home State of Washington who are desperately seeking training right now, and there are over 50,000 jobs that employers are looking to fill. We should be increasing our investment in worker training—not ensuring that all of our good-paying jobs are going to be outsourced abroad.

Finally, this budget fails to adequately protect our miners and our other workers from health and safety dangers they face in their workplace.

On housing, this budget resolution will mean painful cuts—housing for the elderly cut 26 percent, housing for the disabled cut 50 percent, community development block grants cut by more than \$1 billion. Those are the wrong priorities. We should be providing more help for the disabled and the elderly and for community development.

Everywhere I travel in Washington State, I hear from families struggling to find a safe and affordable place to live. Whether it is a young couple looking to buy their first home or a family searching for rental housing close to their job or a senior citizen who wants better access to social services, it is harder than ever to find affordable housing.

Across the country, public housing agencies and nonprofit organizations are working hard to help families find a place they can call home. At the same time, they are contributing to community revitalization efforts that will bring new jobs and opportunities. But a lack of funding threatens the achievements that have been made and the work that is yet to be done.

This budget resolution that is before us assumes the President's proposal to cut the Community Development Fund, which includes the Community Development Block Grant Program, by more than \$1 billion. That, by the way, is on top of a \$5 billion cut the program received this year.

Every Senator here knows how successful the Community Development Block Grant Program is. You can see its impact in communities across the country. Whether it is construction of new affordable housing or supporting community revitalization, CDBG is bringing hope and opportunity to some of our country's most vulnerable.

The budget resolution we are looking at this week does not restore funding for the Community Development Block Grant Program. That will make it virtually impossible to restore cuts in housing and community development, including that \$1 billion reduction in CDBG.

I refer my colleagues to the views and estimates filed on the Budget Committee resolution from the chairman and ranking member of the Appropriations Committee, and I want to quote directly from those views:

We reiterate that unless the committee—the Appropriations Committee—receives substantial relief from these unachievable assumptions, the committee will be unable to fund the President's request much less items of Congressional interest.

I think that is wrong.

I am going to be offering an amendment, with the support of many of my colleagues, to restore that funding.

I believe it is also critical that we continue to invest in our Nation's infrastructure. Recent cuts in transportation spending are threatening to weaken our airline safety. They are imposing new transportation costs on American businesses, and they cost tens of thousands of construction jobs. Investing in our Nation's transportation infrastructure helps reduce congestion, improves safety, and supports continued economic growth.

On veterans, this budget does not keep America's commitment to our veterans because it is built on making it harder for veterans to get the health care they have earned. The Bush administration wants to close the doors of VA hospitals to 1.1 million veterans. It is going to keep another 200,000 from accessing the VA. The Bush administration is imposing new fees, copayments, and blocking access, and that is just wrong.

The committee resolution will simply make it impossible to fully fund VA health care without additional cost

sharing. The resolution assumes the President's increase for VA health care, but this increase is matched in part through higher premiums and copayments.

I offered an amendment during markup to restore full funding for VA health care without forcing our veterans to pay for the care they earned. Unfortunately, it failed in committee, but we are going to try again on the floor.

One of the biggest flaws in this budget is in homeland security. I know a lot of Senators recognize the inadequacies of the administration's approach, with the chairman of the Budget Committee, who also serves as chairman of the Homeland Security Appropriations Subcommittee, characterizing it as "gross malfeasance."

I thank the chairman for recognizing this and for making a gesture in the budget toward addressing this gaping hole. But gestures are not enough, and if the Senate passes the caps proposed by the administration and contained in this budget, no Senator should be under any illusion that we will have any other choice but to once again underfund our Nation's defenses.

In recent weeks, we have all heard about the issue of cargo and port security. It is looming large, and we have had a vigorous debate here and across the country. No matter the particular outcome of this one transaction, this country is not adequately prepared to confront the threats we face to our security through our trading system. Sadly, this budget continues that regretful trend.

On health care, the President wants to cut 2.2 percent from HHS. That is going to reduce our investment in medical research, in disease prevention, and in important safety net programs such as urban Indian health.

During the Budget Committee, I actually offered an amendment to try to provide some direction and flexibility to the Finance Committee to act on legislation aimed at addressing the problems with the Medicare Part D benefit, to provide them with a deficit-neutral reserve fund to deal with the copayments our States are facing.

It is only a matter of time and our States are going to revolt, and our pharmacists are already paying the price. I hope we again address that.

Let me conclude by saying this budget is neither fiscally responsible nor disciplined. Under the assumptions in this resolution, the deficit is actually going to get worse. Debt is going to continue to increase. The only fiscal constraint included in this resolution is a cap on discretionary spending that will make it almost impossible to meet our country's needs or our appropriations deadline of October 1.

I will have more to say.

Let me end by saying that this budget is based on unrealistic spending targets and lacks any real fiscal discipline. Simply providing unrealistic

caps on domestic spending while assuming additional tax cuts is not fiscally responsible. I believe this budget is neither honest nor responsible.

We have a lot of work to do to make our country strong again. We need a budget that reflects our priorities and values. And we cannot forget that the choices we make today will empower us—or entrap us—months from now. I hope we can work together on both sides of the aisle to create a budget that protects our homeland, ensures fiscal responsibility, and stands up for our middle-class families.

Thank you Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

#### BUDGET DEFICITS

Mr. BAUCUS. Mr. President, the Book of Proverbs says: "The borrower is servant to the lender."

This is a sad week for America, for we have become servants to many nations.

This week, we debate legislation to raise the Government's borrowing by \$781 billion. That is more than three-quarters of a trillion dollars.

This will be the fourth largest debt increase in the history of our country, and it will be the fourth debt limit increase enacted in this administration.

In 2002, the Government raised the debt ceiling by \$450 billion. The next year, 2003, the Government raised it by \$984 billion—nearly a trillion dollars. That was an all-time record. And in 2004, the Government raised the debt ceiling by another \$800 billion.

This week, we consider legislation to raise the debt ceiling by another \$781 billion. When added to the three other debt ceiling increases during this administration, the total increase in the debt ceiling will be a mammoth \$3 trillion. That is servitude.

When this administration took office, the limit on Treasury borrowing was about \$6 trillion. It took us as a country 212 years to accumulate that much debt. Now, a mere 5 years later, this administration has added another \$3 trillion. This one administration has added half again as much debt as all the other administrations that came before it put together. That is servitude.

During the period that this administration has been in office, the debt has gone up by about \$10,000 for every man, woman, and child in America. For a family of four, that is an increase of \$40,000 just during the time this President has been serving as President.

What would an average American family think of that amount of debt? Imagine an average American family sitting at the kitchen table. Imagine them looking at \$40,000 in new debt. What would they think? Would they just call up the credit card company and ask for a higher limit?

The right thing to do would be to turn over a new leaf. The right thing to

do would be to balance the family budget. When your debt spins out of control, you cut up the credit card, you try to live within your means, and you stick to a budget for the future of your family.

The question is, Will Congress show the kind of fiscal discipline that is necessary? Will Congress show that discipline that any American family should be expected to show?

And to whom are we servants? We are servants to foreigners. Much of the Treasury debt is now owned by foreigners. That includes both foreign citizens and central banks in foreign countries. That means we pay interest to foreign citizens and foreign central banks. Over time, this will lower America's standard of living.

How is debt like servitude? These large foreign holdings of our Treasury debt are a risk to our homeland security and our economic security. Suppose the President thinks that another country is jeopardizing America's security. Suppose the President would like to tell that country that America would like action from it and would take action against it if it did not change its actions. If that country's central bank owned a large amount of our Treasury debt, it could threaten to sell it quickly. That sale would drive up interest rates and cause the dollar to fall. That would cause a recession in America. As a result, the President might have to back down from threats against that other country. America would be at greater risk.

Or take the situation where America has a trade dispute with a foreign country. Imagine that the foreign country's central bank owned a lot of our debt. Then that country could threaten to sell the debt to force America to back down from our position in a trade dispute. America would be weaker in trade.

Foreigners own more than \$2 trillion of Treasury debt today. This is double the amount they owned at the beginning of this administration.

Mr. President, 96 percent of the increase in debt held by the public between December 2004 and December 2005 resulted from foreign purchases of that debt. The bottom line is simple. These massive increases in debt harm America. They make us the servants of foreign nations.

How did we get to this point? Federal budget deficits drive up our debt, and these deficits have been huge during this administration. When this administration took office we were running large budget surpluses—not deficits, surpluses. In fiscal year 2000, the last year of the previous administration, we ran a surplus of \$236 billion. We ran a surplus of \$86 billion even without counting Social Security. By fiscal year 2001, the surplus, counting Social Security, had dropped to \$128 billion, down from the \$236 billion in the prior year. Then, the tide of red ink really flowed. In fiscal year 2002, the Government ran a deficit of \$158 billion. The

following year, 2003, the Federal Government ran a budget deficit of \$375 billion. That was an all-time record. But that record lasted just 1 year.

The next year, fiscal year 2004, the Government set a new record by running a deficit of \$413 billion. The following year, fiscal year 2005, the Government ran a deficit of \$319 billion. Although this was not a record, it was still larger than deficits run in any year before this administration took office. In the current year, the deficit will go up again. The administration predicts that the deficit will rise to \$423 billion. This represents yet another all-time record.

To make matters worse, these record deficits are occurring just at the time the retirement of the baby boom generation is about to begin. The retirement of the baby boom generation will put enormous stress on the Federal budget. It will lead to huge increases in the cost for Social Security, Medicare, and Medicaid, and this will drive up budget deficits.

The fiscal policy of this administration has been the most irresponsible in the Nation's history. This fiscal policy has generated huge budget deficits, and these deficits, in turn, have contributed to massive increases in Federal debt.

We need to change course. We must reenact the tough pay-go budget rule. The pay-go rule says if you want to increase entitlement spending or tax cuts, we have to pay for them. Senators CONRAD and FEINGOLD will offer an amendment to the budget and again to the debt limit legislation to restore tough pay-go rules.

I will have more to say about that when the amendment is offered, but for now let me cut to the chase. Every Senator ought to vote for that amendment. We need to enact a tough pay-go rule. We need to work together to stop increasing the budget deficit. We need to vote against the hemorrhaging of debt that has afflicted us these last few years. That is what we need to do.

The choice is clear. Will we fall further into debt to foreign powers or do we have the will to break the bonds of our debt servitude? All that is at stake is our freedom.

I urge Senators to think deeply about the upcoming vote. The future of our country, in many deep senses of the term, depends on that vote, especially the future of our children and our grandchildren.

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

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

#### MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a

period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

#### HONORING DR. BRUCE McMILLAN

Mr. DURBIN. Mr. President, I rise today to honor a constituent, Dr. Bruce McMillan, director of the Illinois State Museum, and congratulate him on his retirement.

Dr. McMillan began his career at the Illinois State Museum in 1969 as associate curator of anthropology. Since becoming director in 1977, Dr. McMillan has guided the museum through an expansion from two to six facilities throughout Illinois.

The Illinois State Museum serves the State of Illinois through its excellence in interdisciplinary research and its commitment to innovation in exhibits and education. With collections in the natural sciences, anthropology, and art, the museum tells the story of the land, life, people, and art of Illinois.

Dr. McMillan has brought to his work a true passion for research, travel, and the outdoors. Those who know him best call him a natural leader who inspires those around him to do things they would never try on their own. An avid outdoorsman, Dr. McMillan has led yearly field trips for friends and colleagues, including one to the dry shelters of Arkansas that has become legend amongst his friends.

Known to be a sports enthusiast, Dr. McMillan has played in the Springfield senior softball league for years and has admirably represented Illinois in the Senior Olympics. He is supported by his wife Virginia and his three children in all of his many varied pursuits.

Through his decades of service as director of the Illinois State Museum, Dr. Bruce McMillan has promoted discovery, learning, and an appreciation of Illinois' heritage. Under his leadership, the Illinois State Museum has become one of the premier State museums in the country, and the legacy he has created will continue to benefit the State of Illinois in the years to come.

Mr. President, I congratulate Dr. Bruce McMillan on his many accomplishments throughout his long and successful career, and I wish him many more years of happiness and accomplishment in retirement.

#### HONORING OUR ARMED FORCES

PRIVATE FIRST CLASS MATTHEW LEE BERTOLINO

Mr. GREGG. Mr. President, I rise today to pay tribute to PFC Matthew Lee Bertolino of Hampstead, NH, for his service and supreme sacrifice for his country.

Matthew, a 2003 graduate of Pinkerton Academy, Derry, New Hampshire, entered the Marine Corps through the Marine Corps Delayed Entry Program on September 30, 2004. He started his initial training on Janu-

ary 26, 2005, at the Marine Corps Recruit Depot, Parris Island, SC. Upon completion of his training he became an infantry marine with an 0351 assaultman specialty. His awards include the Afghanistan Campaign Medal, Global War on Terrorism Service Medal, National Defense Service Medal, and Expert Rifleman Medal.

Tragically, on February 9, 2006, this courageous young marine, only 20 years of age, died as a result of a non-hostile accident while operating as part of a combat patrol near Jalalabad, Afghanistan. At the time Private First Class Bertolino was serving with A Company, 1st Battalion, 3rd Marine Regiment, 3rd Marine Division, III Marine Expeditionary Force which was deployed to Afghanistan in support of Operation Enduring Freedom—Afghanistan.

Patriots from the State of New Hampshire have served our Nation with honor and distinction from Bunker Hill to Afghanistan—and Matthew served in that fine tradition. Daniel Webster said: God grants liberty only to those who love it, and are always ready to guard and defend it. Matthew was one of those proud and dedicated volunteers who chose to serve our Nation, and guard our precious liberty, and for that we will always owe our sincere gratitude.

Family, friends, and fellow marines will no longer be able to enjoy the company of PFC Matthew Lee Bertolino. Yet memories of this young patriot will last forever with those who were fortunate enough to have had the opportunity to know him. He realized a calling for a higher service and chose to employ his considerable talents in the service of his country. He understood that the freedoms and opportunities provided by this Nation need continuous defense and that they are among the most precious gifts he can give to his family and loved ones. We honor Matthew for the dedication he has shown to his family and our Nation. Because of his efforts, the liberty of this country is made more secure.

#### CONGRATULATING LOYOLA SACRED HEART SPEECH AND DEBATE

Mr. BURNS. Mr. President, on January 27 and 28, a remarkable group of students from Loyola Sacred Heart High School in Missoula, MT, won the State B-C Title for Speech and Debate. This is the 23rd consecutive State championship for this squad. I rise today to congratulate this team on their hard work and success.

Loyola's accomplishment is truly remarkable. Out of 50 schools competing at the State Tournament, Loyola's squad of 26 students scored 167 points. Twenty-one of these twenty six earned medals. And Paul Stergios and Paul Dallapiazza were the State champions in team debate, while Dan Evans took home the gold in extemporaneous speaking.

These events, which focus on current events and policy, are a fantastic educational tool for students to learn about their world and their government. In fact, I have several former Montana team debaters on my staff, including a former State champion in team debate.

By winning its 23rd straight State championship, the Loyola Sacred Heart speech and debate team extends its State record for the most consecutive titles in any division in any activity. A lot of things have changed since they won their first title in 1984, but the success enjoyed by Loyola Sacred Heart in speech and debate has remained consistent. Since 1981, over 1,000 students have competed for Loyola Sacred Heart and the team has produced 34 individual State champions and over 225 medalists.

Students competed in two debate events—team debate and Lincoln-Douglas debate—and seven individual public speaking events—extemporaneous speaking, impromptu speaking, original oratory, memorized public address, expository speaking, serious oral interpretation of literature, and humorous oral interpretation of literature.

I congratulate head coach Matt Stergios and his team for their continued success in attaining their 23rd consecutive State title. Matt has coached the team since 1981. His daughter Sarah won gold last year, and his son Paul won this year.

Loyola Sacred Heart Speech and debate 39-person divisional and State team roster: Michael Breuer, Mary Callahan-Baumstark, Nick Corn, Paul Dallapiazza, Jason Dark, Justin Dart, Miles Dauterive, Erin Demerle, Jasen Devoe, Liz Diehl, Ryne Dougherty, Brian Doyle, Kyle Doyle, Matt Eddy, John Eikens, Dan Evans, Andrew Fortunate, Brian Geer, Sarah Giuliani, Megan Hess-Homier, Joe Hurd, Julie Hurd, Erik Kappelman, Tricia Karsky, Ian Kefler, Emilie Loran, Kathleen Lowery, Emily Mihalic, Nick Mihalic, Katie Neher, Alice Phoenix, Charlie Pritchard, Mariah Rys-Sikora, Joe Sanders, Paul Stergios, Will Taylor, Madison Unsworth, James Winegart, and Chris Yoder.

Head coach: Matthew Stergios  
Assistant coaches: Sarah Jennings, Charles Hansberry, Theresa Stergios and Jessica Weinert.

#### ADDITIONAL STATEMENTS

##### HONORING TRANSP

● Mr. BAYH. Mr. President, I rise today to applaud the Transportation Corporation in South Bend, IN, for its decision to use biofuels to power the South Bend public transit system, the second largest public transit system in all of Indiana. This is good news for the environment and good news for the economy. By using biofuels to power South Bend's public buses, Indiana is

setting an example for the rest of the Nation and leading the way on the path to greater energy security.

Ending our dependence on foreign oil is one of the defining challenges of our generation and it's going to affect America for generations to come. It will affect our economy, our finances, our Nation's security and, ultimately, the kind of world our children inherit from us.

If we learned anything from September 11, it is that we can no longer afford to be dependent on places like Saudi Arabia, Russia, and Venezuela for our energy supply. Yet unfortunately, we are more dependent on foreign oil from hostile countries today than we were on September 11—making us more vulnerable and putting the United States in the uniquely disturbing and intolerable position of bankrolling both sides in the war on terror.

By tapping the energy potential of Indiana's farm fields, we can ensure a reliable domestic energy supply to meet our Nation's needs while ending our reliance on unstable countries for their oil and, at the same time, creating thousands of jobs for Hoosier farmers. South Bend's buses will run on B20 soy biodiesel, a clean renewable fuel that creates a new market for Indiana's 28,000 soybean farmers. Indiana's farmers represent some of the very best of our State's traditions and history, and I am proud that they will be our partners as we chart a path to energy independence in the 21st century.

Although it may seem daunting, we can reduce our dependence on oil. Brazil has announced that it expects to be energy independent by the end of the year by fulfilling its energy needs in part from domestically produced biofuels. If they can do it, so can we. And here in Indiana, we are beginning to understand the power and potential of renewable energy sources. Last year, the Indy Racing League announced its decision to use ethanol in its IndyCars. Beginning in 2006, all IndyCars will race on an ethanol-blend before switching to 100 percent ethanol fuel the following year. If a high performance vehicle running on ethanol can win the Brickyard, surely ethanol is good enough for the family minivan, too.

Today's announcement builds on Indiana's prominent leadership role in the country's growing renewable fuel industry. If cities around the country would follow South Bend's lead, step-by-step we could move towards energy independence.

Here in the Senate, I have introduced bipartisan legislation aimed at breaking America's dependence on foreign oil by reducing our use of oil by 7 million barrels a day by 2026. My legislation would achieve that goal by creating incentives to encourage the use of alternative fuels like those being used by TRANSPO and promoting greater energy efficiency. A key part of accomplishing this goal involves in-

creasing America's use of biofuels through significant increases in tax credits and grants. By letting America's farmers produce America's fuel, we will help truly set our country free.

I want to thank South Bend and TRANSPO for showing us how to start making that progress.●

#### RONALD SEAWRIGHT OF ST. LOUIS

● Mr. BOND. Mr. President, I rise today to recognize the achievements of an exceptional Missouri student.

Second grader Ronald Seawright of St. Louis has taken it upon himself to lead his peers in the St. Louis Public School District in an effort to end school violence, particularly bullying. Using his personal experiences at Laclede Elementary School during his first grade year, Ronald published a short book entitled "The Bully," which he hopes will guide other students to free themselves from bullying.

Ronald's book, "The Bully," explains who bullies are and what they do, as well as how to respond when you are frightened by a bully. Ronald's advice is sound: do not suffer the intimidation of a bully. He stresses the importance of communicating to trusted adults in order to help students overcome peer violence and abuse in its early stages before the school's learning environment is disrupted.

With the aid of his mother and local leaders, Ronald continues to spread his message. On March 14, 2006, public schools across the city of St. Louis are celebrating Live Bully-Free Day. Ronald has invited other school children to join him in learning the personal and social skills necessary to protect themselves from bullies, gangs, and their tactics. Ronald deserves to be commended not only for his courage but also for his great service and leadership in our community.

Mr. President, I encourage you and other Members of the Senate to join me in recognizing the initiative of this brave and creative young man, Ronald Seawright.●

#### IN MEMORIAM TO SAM CHU LIN

● Mrs. BOXER. Mr. President, I take this opportunity to honor the life of Sam Chu Lin, who broke new ground as one of the first Asian American journalists. Mr. Chu Lin passed away on March 5, 2006, at the age of 67.

Mr. Chu Lin was born and raised in Mississippi. He had a lifelong interest in news and journalism. When he was a teenager, Mr. Chu Lin would listen to the radio at night, emulating the voices of the top broadcasters. His practice paid off in 1956, when he convinced his hometown radio station in Greenville, MS, that he could find sponsors and host a show of his own. Mr. Chu Lin later attended Michigan State University, where he received degrees in journalism and communications.

In the 1960s, Mr. Chu Lin began his career as a journalist, working as a re-

porter and anchor at television and radio stations, including KRON-TV in the San Francisco Bay area, and KTLA Channel 5 and KFWB radio, both in Los Angeles. In the 1970s, he became one of the first Asian-American journalists to rise from local to network news, working for CBS News in New York. While at CBS, Mr. Chu Lin reported to a national television audience the historic news that the Vietnam War was over.

Throughout his career, Mr. Chu Lin demonstrated his versatility as a reporter. He interviewed Presidents and world leaders, and he covered earthquakes and other natural disasters. In the late 1980s, he reported from China about the government crackdown on the Tiananmen Square demonstration for democracy. Since 1995, Mr. Chu Lin worked at KTTV Fox 11 News in Los Angeles. In addition, he wrote numerous articles about Asian-American affairs for news publications such as Asian Week, Rafu Shimpo, the Nichi Bei Times, and the San Francisco Examiner. He was also a regular contributor to KQED radio in San Francisco.

Over the years, Mr. Chu Lin was the recipient of many awards and accolades from prestigious organizations, including the Associated Press, United Press International, the Academy of Arts and Sciences, the Greater Los Angeles Press Club, and the Radio and Television News Association. As a strong advocate for Asian-Pacific-Americans and their contributions throughout history, Mr. Chu Lin was also the recipient of many awards from Asian-Pacific-American organizations, most recently the 2005 Spirit of America Award from the Chinese American Citizens Alliance.

Sam Chu Lin believed that journalism should be educational, and that "informing and helping others is what makes journalism exciting." He felt that journalism was a "chance to use your roots for a positive purpose." In his reports, articles, and stories, it was evident that Mr. Chu Lin did just that. He was a tireless advocate on behalf of the Asian-Pacific-American community, whether he was producing documentaries on the Asian-Pacific American experience or speaking to organizations about the importance of civic participation. His contributions to the field of journalism, especially within the Asian-Pacific-American community, will not be forgotten.

Mr. Chu Lin is survived by his wife, Judy; his two sons, Mark and Christopher; and his mother. I extend my deepest sympathies to his family.

Sam Chu Lin was a pioneer among Asian-American journalists, and he will be missed by all who knew him. We take comfort in knowing that future generations will benefit from his tenacity, his strength and his desire to make America a better place to live.●

HONORING MAJOR JEFF  
JURGENSEN

• Mr. OBAMA. Mr. President, it is my pleasure and privilege to honor an exceptional Marine, MAJ Jeff Jurgensen. Major Jurgensen has served our Nation for more than 20 years. Rising from the rank of Marine Private, he has served around the globe in both war and peace. Major Jurgensen was born in Oak Park, IL, and spent much of his youth in the Chicago area.

He began his Marine Corps service at the Marine Corps Recruit Depot, Parris Island, SC. He also completed the School of Infantry, Camp Lejeune. Assigned duties as a Marine Corps Combat Correspondent, he subsequently graduated from the Military Print and Broadcast Journalist Program at the Defense Information School.

Major Jurgensen was then stationed in Tokyo, Japan, as a Correspondent for the Armed Forces Radio and Television Service. Promoted to Corporal while in Japan, Major Jurgensen was selected for the Enlisted Commissioning Program and transferred to Quantico, VA, where he attended Officer Candidate School and the Basic School—graduating with Honors. As a Marine Officer, Major Jurgensen has served in North Carolina, Missouri, Louisiana, and Washington, DC. In addition, during his career, he has deployed in support of Hurricane Andrew Relief Operations in Dade County, FL, Operation Enduring Freedom in the Horn of Africa, and Operation Iraqi Freedom in Bahrain, Kuwait, and Iraq.

Since 2004, Major Jurgensen has been assigned to the Marine Corps' Office of Legislative Affairs as a Congressional Liaison Representative. Responding to more than 4,000 inquiries from Members of Congress, Major Jurgensen has worked aggressively to provide our Nation's elected leaders with critical information regarding Marine Corps operations, policies, programs, and personnel. His efforts have measurably contributed to the mission of the Marine Corps, U.S. House of Representatives, and Senate. His skill, judgment, and complete dedication to duty are in keeping with the highest traditions of the United States Marine Corps and the United States Naval Service.

I wish Major Jurgensen, his wife Kamlyn—also from Illinois—and their wonderful family the very best as they begin a new life. I am particularly proud that residents of the great State of Illinois choose to join the Marine Corps and serve this Nation. Major Jurgensen has done so with distinction. On behalf of the Senate, I wish to extend my heartfelt thanks and gratitude. May he have many more years of continuing success.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE CONTINUATION  
OF THE NATIONAL EMERGENCY  
WITH RESPECT TO IRAN THAT  
WAS DECLARED IN EXECUTIVE  
ORDER 12957—PM 43

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

*To the Congress of the United States:*

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice to the *Federal Register* for publication, stating that the Iran emergency declared on March 15, 1995, is to continue in effect beyond March 15, 2006. The most recent notice continuing this emergency was published in the *Federal Register* on March 14, 2005 (70 FR 12581).

The crisis between the United States and Iran constituted by the actions and policies of the Government of Iran that led to the declaration of a national emergency on March 15, 1995, has not been resolved. The actions and policies of the Government of Iran are contrary to the interests of the United States in the region and pose a continuing unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. For these reasons, I have determined that it is necessary to continue the national emergency declared with respect to Iran and maintain in force comprehensive sanctions against Iran to respond to this threat.

GEORGE W. BUSH.  
THE WHITE HOUSE, March 13, 2006.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 2829. An act to reauthorize the Office of National Drug Control Policy Act; to the Committee on the Judiciary.

EXECUTIVE AND OTHER  
COMMUNICATIONS

The following communications were laid before the Senate, together with

accompanying papers, reports, and documents, and were referred as indicated:

EC-5974. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to Community Services Block Grant Discretionary Activities: Community Economic Development and Rural Communities Facilities Discretionary Grant projects funded during Fiscal Year 2001; to the Committee on Health, Education, Labor, and Pensions.

EC-5975. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the Country Reports on Human Rights Practices for 2005; to the Committee on Foreign Relations.

EC-5976. A communication from the Secretary of Defense, transmitting, a report on the approved retirement of Lieutenant General David W. Barno, United States Army, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

EC-5977. A communication from the Assistant to the Board, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation Y: Capital Adequacy Guidelines for Banking Holding Companies; Small Bank Holding Company Policy Statement; Definition of a Qualifying Small Bank Holding Company" (Docket No. 1235) received on March 8, 2006; to the Committee on Banking, Housing, and Urban Affairs.

EC-5978. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Karnal Bunt; Addition and Removal of Regulated Areas in Arizona" (Docket No. 05-078-2) received on March 8, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5979. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Importation of Peppers from Certain Central American Countries" (Docket No. 05-003-3) received on March 8, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5980. A communication from the Executive Director, Commodity Futures Trading Commission, transmitting, pursuant to law, the report of a rule entitled "Alternative Market Risk and Credit Risk Capital Charges for Futures Commission Merchants and Specified Foreign Currency Forward and Inventory Capital Charges" (RIN3038-AC05) received on March 8, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5981. A communication from the Deputy Director, Legislative Affairs, Office of the Director of National Intelligence, transmitting, pursuant to law, the report of confirmations for the positions of Chief Information Officer and Director of the National Counterterrorism Center and a recess appointment for the position of General Counsel, received on March 8, 2006; to the Select Committee on Intelligence.

EC-5982. A communication from the Assistant Secretary for Policy, Management and Budget, Department of the Interior, transmitting, the report of a draft bill entitled "Reclamation Water Management Improvement Act" received on March 8, 2006; to the Committee on Environment and Public Works.

EC-5983. A communication from the Director, Office of National Drug Control Policy, Department of Justice, relative to the transfer of the High Intensity Drug Trafficking Area Program from the Office of National

Drug Control Policy to the Department of Justice; to the Committee on the Judiciary.

EC-5984. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-287, "National Opera Street Designation Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5985. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-288, "Dishonored Check Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5986. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-289, "Other Tobacco Products Tax Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5987. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-290, "Uniform Environmental Covenants Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5988. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-291, "Illegal Dumping Enforcement Amendment Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5989. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-292, "Residential Energy Conservation Tax Credit Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5990. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-294, "Fiscal Year 2007 Budget Tax Relief Priorities Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5991. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-295, "Drug Offense Driving Privileges Revocation and Disqualification Temporary Amendment Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5992. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-296, "Identity Theft Technical Temporary Amendment Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5993. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-302, "Income Withholding Transfer and Revision Amendment Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5994. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-303, "Non-Health Related Occupations and Professions Licensure Temporary Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5995. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-304, "Finance and Revenue Technical Amendments Temporary Amendment Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5996. A communication from the Chairman of the Council of the District of Colum-

bia, transmitting, pursuant to law, a report on D.C. Act 16-305, "Department of Mental Health Collective Bargaining Agreements Temporary Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

EC-5997. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 16-306, "DC USA Parking Garage Bond Security Documents Approval Temporary Act of 2006"; to the Committee on Homeland Security and Governmental Affairs.

#### REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of March 9, 2006, the following reports of committees were submitted on March 10, 2006:

By Mr. GREGG, from the Committee on the Budget, without amendment:

S. Con. Res. 83. An original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. GREGG:

S. Con. Res. 83. An original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; from the Committee on the Budget; placed on the calendar.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. COLLINS (for herself, Mr. LIEBERMAN, Mr. COLEMAN, Mr. AKAKA, Mr. TALENT, and Mr. GRAHAM):

S. 2400. A bill to transfer authority to review certain mergers, acquisitions, and takeovers of United States entities by foreign entities to a designee established within the Department of Homeland Security, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GRASSLEY (for himself and Mr. BAUCUS):

S. 2401. A bill to amend the Internal Revenue Code of 1986 to extend certain energy tax incentives, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. KYL, Mr. CORNYN, Mr. DEWINE, and Mr. GRAHAM):

S. 2402. A bill to improve the prohibitions on money laundering, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS:

S. 2403. A bill to authorize the Secretary of the Interior to include in the boundaries of the Grand Teton National Park land and interests in land of the GT Park Subdivision, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DEMINT:

S. 2404. A bill to extend the duty suspension on o-tert-Butylcyclohexanol; to the Committee on Finance.

By Mr. DEMINT:

S. 2405. A bill to extend the temporary duty suspension for acentanisole; to the Committee on Finance.

By Mr. DEMINT:

S. 2406. A bill to suspend temporarily the duty on 1,2-Pentanediol; to the Committee on Finance.

By Mr. DEMINT:

S. 2407. A bill to suspend temporarily the duty on p-Anisaldehyde; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. FEINGOLD:

S. Res. 398. A resolution relating to the censure of George W. Bush; to the Committee on the Judiciary.

By Mr. SPECTER (for himself, Mr. SARBANES, Mr. ALLEN, Mr. BENNETT, Mr. BIDEN, Mrs. BOXER, Mr. CARPER, Mr. CHAFFEE, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COCHRAN, Mr. CRAIG, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. INHOFE, Mr. INOUE, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. MENENDEZ, Ms. MIKULSKI, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. OBAMA, Mr. REED, Mr. REID, Mr. ROCKEFELLER, Mr. SALAZAR, Mr. SANTORUM, Mr. SCHUMER, Mr. SMITH, Ms. SNOWE, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. THOMAS, Mr. VOINOVICH, and Mr. WYDEN):

S. Res. 399. A resolution designating March 25, 2006, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; considered and agreed to.

By Mr. BIDEN (for himself, Mr. SMITH, Mr. LUGAR, and Mr. DURBIN):

S. Res. 400. A resolution expressing the sense of the Senate on the constitutional reform process in Bosnia and Herzegovina; considered and agreed to.

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. LUGAR, Mr. BIDEN, Mr. BROWNBACK, Mr. MCCONNELL, and Mr. SUNUNU):

S. Res. 401. A resolution urging the Republic of Belarus to conduct planned presidential elections March 19, 2006, in a free, fair, and transparent manner and with respect for human rights; considered and agreed to.

#### ADDITIONAL COSPONSORS

S. 408

At the request of Mr. DEWINE, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 408, a bill to provide for programs and activities with respect to the prevention of underage drinking.

S. 503

At the request of Mr. BOND, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 503, a

bill to expand Parents as Teachers programs and other quality programs of early childhood home visitation, and for other purposes.

S. 707

At the request of Mr. ALEXANDER, the names of the Senator from Texas (Mrs. HUTCHISON), the Senator from Maryland (Mr. SARBANES), the Senator from Minnesota (Mr. COLEMAN), the Senator from North Dakota (Mr. DORGAN) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 707, a bill to reduce preterm labor and delivery and the risk of pregnancy-related deaths and complications due to pregnancy, and to reduce infant mortality caused by prematurity.

S. 809

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 809, a bill to establish certain duties for pharmacies when pharmacists employed by the pharmacies refuse to fill valid prescriptions for drugs or devices on the basis of personal beliefs, and for other purposes.

S. 1086

At the request of Mr. HATCH, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of S. 1086, a bill to improve the national program to register and monitor individuals who commit crimes against children or sex offenses.

S. 1112

At the request of Mr. GRASSLEY, the names of the Senator from Arizona (Mr. MCCAIN) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 1112, a bill to make permanent the enhanced educational savings provisions for qualified tuition programs enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001.

S. 1358

At the request of Mr. DURBIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1358, a bill to protect scientific integrity in Federal research and policy-making.

S. 1607

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 1607, a bill to amend section 10501 of title 49, United States Code, to exclude solid waste disposal from the jurisdiction of the Surface Transportation Board.

S. 1687

At the request of Ms. MIKULSKI, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1687, a bill to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers.

S. 1721

At the request of Mr. VOINOVICH, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a co-

sponsor of S. 1721, a bill to amend the Omnibus Parks and Public Lands Management Act of 1996 to extend the authorization for certain national heritage areas, and for other purposes.

S. 2134

At the request of Mr. SMITH, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 2134, a bill to strengthen existing programs to assist manufacturing innovation and education, to expand outreach programs for small and medium-sized manufacturers, and for other purposes.

S. 2253

At the request of Mr. DOMENICI, the name of the Senator from Texas (Mr. CORNYN) was added as a cosponsor of S. 2253, a bill to require the Secretary of the Interior to offer the 181 Area of the Gulf of Mexico for oil and gas leasing.

S. 2266

At the request of Mr. SANTORUM, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2266, a bill to establish a fellowship program for the congressional hiring of disabled veterans.

S. 2287

At the request of Ms. SNOWE, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 2287, a bill to amend the Internal Revenue Code of 1986 to increase and permanently extend the expensing of certain depreciable business assets for small businesses.

S. 2300

At the request of Ms. STABENOW, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 2300, a bill to amend the Federal Food, Drug, and Cosmetic Act with respect to market exclusivity for certain drugs, and for other purposes.

S. 2321

At the request of Mr. SANTORUM, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 2321, a bill to require the Secretary of the Treasury to mint coins in commemoration of Louis Braille.

S. 2340

At the request of Mr. SPECTER, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2340, a bill to amend title XVIII of the Social Security Act to preserve access to community cancer care by Medicare beneficiaries.

S. 2362

At the request of Mr. BYRD, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2362, a bill to establish the National Commission on Surveillance Activities and the Rights of Americans.

S. 2389

At the request of Mr. ALLEN, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of S. 2389, a bill to amend the Communications Act of 1934 to prohibit the unlawful acquisition and use of con-

fidential customer proprietary network information, and for other purposes.

S. 2390

At the request of Mr. ENSIGN, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 2390, a bill to provide a national innovation initiative.

S. 2393

At the request of Mr. COLEMAN, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 2393, a bill to amend the Public Health Service Act to advance medical research and treatments into pediatric cancers, ensure patients and families have access to the current treatments and information regarding pediatric cancers, establish a population-based national childhood cancer database, and promote public awareness of pediatric cancers.

S. RES. 182

At the request of Mr. COLEMAN, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. Res. 182, a resolution supporting efforts to increase childhood cancer awareness, treatment, and research.

S. RES. 224

At the request of Mr. DEWINE, the names of the Senator from Georgia (Mr. ISAKSON) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. Res. 224, a resolution to express the sense of the Senate supporting the establishment of September as Campus Fire Safety Month, and for other purposes.

S. RES. 359

At the request of Ms. LANDRIEU, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. Res. 359, a resolution concerning the Government of Romania's ban on intercountry adoptions and the welfare of orphaned or abandoned children in Romania.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself, Mr. LIEBERMAN, Mr. COLEMAN, Mr. AKAKA, Mr. TALENT, and Mr. GRAHAM):

S. 2400. A bill to transfer authority to review certain mergers, acquisitions, and takeovers of United States entities by foreign entities to a designee established within the Department of Homeland Security, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Ms. COLLINS. Mr. President, I rise today to introduce legislation to reform and strengthen the national security review process for foreign investments in the United States. I am very pleased to be joined by three of my colleagues—Senator LIEBERMAN, Senator COLEMAN, and Senator AKAKA—in introducing this legislation.

In a global economy, foreign investment in this country is becoming increasingly common. The national security and homeland security implications of those investments must be

scrutinized by the departments with responsibility for those critical matters.

The controversy over the Dubai ports transaction has exposed serious flaws and shortcomings in the current law and process that is used to review foreign investments in our country.

In 1988, Congress passed the Exon-Florio provision of the Defense Production Act to get the President the authority to suspend or prohibit any foreign acquisition, merger, or takeover of a U.S. corporation that is determined to threaten our national security.

Through an Executive order, the President gave a new committee—known as the Committee on Foreign Investment in the United States, often referred to as CFIUS—the responsibility of reviewing transactions pursuant to the Exon-Florio law and to make recommendations to the President.

The law is something of an anachronism because of what it doesn't say. It focuses on acquisitions of American companies that are either important to our military industrial base or have technology that could help a terrorist state develop weapons of mass destruction. Obviously, both of those concerns are very important. We do want to preserve our military industrial base, and we do want to safeguard technology that could help terrorists or anyone else develop weapons of mass destruction. But neither of those transactions or those requirements address transactions that could assist terrorists in threatening our security right here at home.

Obviously, there are other ways for terrorists to undermine our security that might be completely separate from the military industrial base issues or the technological issues related to weapons of mass destruction. In other words, the law is simply too narrow in its application. The current CFIUS process is not designed to analyze transactions that involve a port terminal or other critical infrastructures within our borders.

The Government Accountability Office, in a report issued last September, found that the Exon-Florio law's effectiveness in protecting U.S. national security may be limited—limited because the Department of Treasury, as the chairman of the Committee on Foreign Investment in the United States, narrowly defines what constitutes a threat to our national security. The Committee on Foreign Investment in the United States, CFIUS, focuses too much on the financial component and not enough on security.

I think that is what many of us concluded happened in the review of the Dubai ports transaction. The focus was on investment, needed investment in our ports, rather than being focused on the national security or homeland security implications that could possibly arise from that transaction. The committee is supposed to identify trans-

actions that could affect our national security. It doesn't say "harm" our national security; it says "affect" our national security. That is supposed to be sufficient to trigger a full 45-day investigation. But, unfortunately, that is not initially what happened with the proposed Dubai ports transaction.

I would like to draw the attention of my colleagues to a broader issue, and that is the composition of CFIUS. Remember, this is supposed to be a national security review, but who chairs the committee? Not the Department of Homeland Security, not the Department of Defense, not the Department of Justice. The committee is chaired by the Department of the Treasury, and chairing this committee is meaningful because the chairman's interpretation of the law, including the provision that makes a 45-day investigation mandatory in the case of foreign government control to entities that could affect national security, tends to govern. In other words, what the chairman decides in interpreting whether the 45-day investigation is triggered tends to be what happens.

I suggest to you, and to my colleagues that the system is fundamentally flawed if it has the Secretary of Treasury, no matter how capable and well qualified he is—and I believe he is all of those things—chair a committee that is supposed to be looking at national security. Thus, I believe the CFIUS process has been weighed too much toward investment considerations and not sufficiently attentive to the national security and homeland security implications. Indeed, the GAO found that Treasury is "reluctant to initiate investigations to determine whether national security concerns require a recommendation for possible Presidential action." That is what GAO found, and that certainly seems to be an accurate finding.

These are concerns which we simply cannot tolerate given today's threat environment, and that is why I am introducing legislation to abolish the CFIUS process and to create a new interagency, interdepartmental mechanism chaired by the Department of Homeland Security to analyze transactions for both their homeland security and national security implications. Our bill is designed to fix the process through the following changes:

First, the bill would establish a new committee, the Committee for Secure Commerce, to replace the old CFIUS. The Committee for Secure Commerce would be chaired by the Secretary of Homeland Security, and the Secretary of Defense would serve as the vice chairman. The Director of National Intelligence would be specifically designated as a standing member of the committee in order to ensure that important intelligence information is part of the deliberative process. The Department of Treasury will still be represented on the committee, but with respect to the other members, the President shall name the appropriate

agencies and departments to sit on the committee. This is an important change because it helps ensure that the focus will, indeed, be national homeland security, and it corrects what I believe to be a major shortcoming in the composition of the current committee, and that is that the intelligence community is not represented. That is extraordinary, given the purpose of this committee.

Second, the bill would explicitly include homeland security among the factors the committee would evaluate in deciding whether to review or investigate a transaction.

Third, the Secretary of Homeland Security would establish a process by which the committee reviews transactions and would establish the role and responsibility of each member.

In addition, each member would establish the process and procedure by which each respective agency would conduct its review, sharing that with the other committee members. It is important that committee members each have a general understanding of the scrutiny being applied to a transaction both within their own agencies and across the government. Such understanding was not apparent in the current CFIUS process.

Should a transaction warrant an investigation, the bill would require the Director of National Intelligence to consolidate intelligence assessments.

Lastly, this legislation would strengthen the reporting requirements to Congress. The existing process lacks transparency and does not allow sufficient oversight. It may be appropriate for the reviews, which may involve proprietary data and classified information, to be conducted confidentially. However, it is wholly appropriate that Members of Congress be briefed in a timely manner.

The bill would also address the so-called Byrd amendment loophole, requiring an investigation where the entity would be controlled by a foreign government. In looking at the plain language of the existing statute, a 45-day investigation should have taken place in the Dubai Ports World purchase of Peninsular & Oriental Steam Navigation Company. However, the Treasury Department interpretation of the statute for nearly 15 years has been contrary to congressional intent, and thus, Treasury found there was no need for the 45-day investigation. That so-called ambiguity has been clarified in our bill. The law requires a 45-day investigation in cases where an acquirer is controlled by a foreign government, as in the case of DP World, and the acquisition could affect the national security of the U.S.

It is important that Congress take action to reform the review process for foreign investment in the U.S. This bill provides a new structure, appropriately focused on national security and homeland security. I seek my colleagues support in moving this legislation forward.

The Dubai ports controversy may have temporarily or perhaps permanently been set aside, but that does not mean we should abandon the efforts to reform and strengthen the law to ensure a proper review of foreign transactions.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2400

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. TRANSFER OF AUTHORITY TO REVIEW CERTAIN MERGERS, ACQUISITIONS, AND TAKEOVERS.**

(a) REPEAL OF DEFENSE PRODUCTION ACT PROVISION.—Section 721 of the Defense Production Act of 1950 (50 U.S.C. App. 2170) is repealed.

(b) TRANSFER TO HOMELAND SECURITY.—Title II of the Homeland Security Act of 2002 (6 U.S.C. 121 et seq.) is amended by adding at the end the following:

**“Subtitle —E—Review of Mergers, Acquisitions, and Takeovers by Foreign Entities**

**“SEC. 241. AUTHORITY TO REVIEW CERTAIN MERGERS, ACQUISITIONS, AND TAKEOVERS.**

“(a) REVIEW AND INVESTIGATION.—

“(1) IN GENERAL.—The President or the President’s designee may undertake an investigation to determine the effects on national security or homeland security of mergers, acquisitions, and takeovers proposed or pending on or after the date of enactment of this section by or with foreign persons which could result in foreign control of persons engaged in interstate commerce in the United States.

“(2) REVIEW.—For purposes of determining whether to undertake an investigation under this subsection, the President or the President’s designee shall conduct a review of the proposed or pending merger, acquisition, or takeover, which review shall be completed not later than 30 days after the date of receipt by the President or the President’s designee of written notification of the proposed or pending merger, acquisition, or takeover.

“(3) TIMING.—If it is determined that an investigation should be undertaken under this subsection, such investigation—

“(A) shall commence at such time as the determination is made under paragraph (2), and not later than 30 days after the date of receipt by the President or the President’s designee of written notification of the proposed or pending merger, acquisition, or takeover, as prescribed by regulations promulgated pursuant to this section; and

“(B) shall be completed not later than 45 days after the date of its commencement.

“(4) INTELLIGENCE ASSESSMENT REPORTS.—With respect to any investigation undertaken under this subsection, the Director of National Intelligence shall create a report that consolidates the intelligence findings, assessments, and concerns of each of the relevant members of the intelligence community. Such report shall be considered as part of the investigation, provided to all members of the Committee, and included as part of any recommendation to the President.

“(b) MANDATORY INVESTIGATIONS.—

“(1) IN GENERAL.—The President or the President’s designee shall undertake an investigation, as described in subsection (a)(1), in any instance in which an entity controlled by or acting on behalf of a foreign government seeks to engage in any merger, acquisi-

tion, or takeover which would result in control of a person engaged in interstate commerce in the United States.

“(2) TIMING.—An investigation undertaken under this subsection—

“(A) shall commence not later than 30 days after the date of receipt by the President or the President’s designee of written notification of the proposed or pending merger, acquisition, or takeover, as prescribed by regulations promulgated pursuant to this section; and

“(B) shall be completed not later than 45 days after the date of its commencement.

“(c) COMMITTEE FOR SECURE COMMERCE.—

“(1) ESTABLISHMENT.—There is established the Committee for Secure Commerce, which shall serve as the President’s designee for purposes of this section.

“(2) CHAIRPERSON.—The Secretary, or the designee thereof, shall serve as the chairperson of the Committee.

“(3) VICE CHAIRS.—The Secretary of Defense, or the designee thereof, and the Secretary of the Treasury, or the designee thereof, shall serve as vice chairs of the Committee.

“(4) MEMBERSHIP.—The standing members of the Committee shall—

“(A) be made up of the heads of those executive departments, agencies, and offices as the President determines appropriate; and

“(B) include the Director of National Intelligence.

“(5) ASSISTANCE FROM OTHER FEDERAL SOURCES.—The chairperson of the Committee may seek information and assistance from any other department, agency, or office of the Federal Government, and such department, agency, or office shall provide such information or assistance, as the chairperson determines necessary or appropriate to carry out the duties of the Committee under this section.

“(6) REVIEW PROCESS; DOCUMENTATION.—

“(A) COMMITTEE REVIEW PROCESS.—The chairperson of the Committee shall establish written processes and procedures to be used by the Committee in conducting reviews and investigations under this section in any case in which the Committee is acting as the President’s designee, including a description of the role and responsibilities of each of the member departments, agencies, and offices in the investigation of foreign investment in the United States.

“(B) DEPARTMENTAL REVIEW PROCESS.—The head of each department, agency, or office that serves as a member of the Committee shall establish written internal processes and procedures to be used by the department, agency, or office in conducting reviews and investigations under this section, and shall provide such written procedures to the Committee.

“(7) INDEPENDENT AGENCY REVIEWS REQUIRED.—In any case in which the Committee is acting as the President’s designee under this section, each member of the Committee shall conduct, within the department, agency, or office of that member, an independent review of each proposed merger, acquisition, or takeover described in subsection (a) or (b), and shall timely provide to the Committee written findings relating to each such review.

“(8) DETERMINATIONS NOT TO CONDUCT AN INVESTIGATION.—A determination by the Committee not to conduct an investigation under subsection (a) shall be made only after a review required by subsection (a)(2), and shall be unanimous.

“(d) ACTION BY THE PRESIDENT.—

“(1) IN GENERAL.—Subject to subsection (e), the President may take such action for such time as the President considers appropriate to suspend or prohibit any acquisition, merger, or takeover of a person engaged in inter-

state commerce in the United States proposed or pending on or after the date of enactment of this section, by or with a foreign person so that such control will not threaten to impair the national security or homeland security.

“(2) ANNOUNCEMENT BY THE PRESIDENT.—The President shall announce the decision to take action pursuant to this subsection not later than 15 days after the investigation described in subsection (a) is completed. The President may direct the Attorney General to seek appropriate relief, including divestment relief, in the district courts of the United States in order to implement and enforce this section.

“(e) FINDINGS OF THE PRESIDENT.—The President may exercise the authority conferred by subsection (d) only if the President finds that—

“(1) there is credible evidence that leads the President to believe that the foreign interest exercising control might take action that threatens to impair the national security or homeland security; and

“(2) provisions of law, other than this section and the International Emergency Economic Powers Act, do not, in the judgment of the President, provide adequate and appropriate authority for the President to protect the national security or homeland security in the matter before the President.

“(f) ACTIONS AND FINDINGS NONREVIEWABLE.—The actions of the President under subsection (d) and the findings of the President under subsection (e) shall not be subject to judicial review.

“(g) FACTORS TO BE CONSIDERED.—For purposes of this section, the President or the President’s designee shall, taking into account the requirements of national security and homeland security, consider among other factors—

“(1) critical infrastructure, the control of which is important to homeland security;

“(2) domestic production needed for projected national defense and homeland security requirements;

“(3) the capability and capacity of domestic industries to meet national defense requirements, including the availability of human resources, products, technology, materials, and other supplies and services;

“(4) the control of domestic industries and commercial activity by foreign citizens as it affects the capability and capacity of the United States to meet the requirements of national security or homeland security;

“(5) the potential effects of the proposed or pending transaction on sales of military goods, equipment, or technology to any country—

“(A) identified by the Secretary of State—

“(i) under section 6(j) of the Export Administration Act of 1979, as a country that supports terrorism;

“(ii) under section 6(l) of the Export Administration Act of 1979, as a country of concern regarding missile proliferation; or

“(iii) under section 6(m) of the Export Administration Act of 1979, as a country of concern regarding the proliferation of chemical and biological weapons; or

“(B) listed under section 309(c) of the Nuclear Non-Proliferation Act of 1978, on the ‘Nuclear Non-Proliferation-Special Country List’ (15 C.F.R. Part 778, Supplement No. 4) or any successor list; and

“(6) the potential effects of the proposed or pending transaction on United States international technological leadership in areas affecting United States national security or homeland security.

“(h) CONFIDENTIALITY OF INFORMATION.—Any information or documentary material filed with the President or the President’s designee pursuant to this section shall be exempt from disclosure under section 552 of

title 5, United States Code, and no such information or documentary material may be made public, except as may be relevant to any administrative or judicial action or proceeding. Nothing in this subsection shall be construed to prevent disclosure to either House of Congress or to any duly authorized committee or subcommittee of Congress.

“(i) REPORTS TO CONGRESS.—

“(1) REPORTS ON INVESTIGATION.—The President, or the President’s designee, shall immediately upon completion of an investigation under subsection (a) or (b) transmit to the members of Congress specified in paragraph (3) a written report of the results of the investigation, before any determination by the President on whether or not to take action under subsection (d), including a detailed explanation of the findings made under subsection (e), details of any legally binding assurances provided by the foreign entity that were negotiated as a condition for approval, and the factors considered under subsection (g). Such report shall be prepared in a manner that is consistent with the requirements of subsection (h).

“(2) QUARTERLY SUBMISSIONS.—The President, or the President’s designee, shall transmit to the members of the Congress specified in paragraph (3) on a quarterly basis, a detailed summary and analysis of each merger, acquisition, or takeover that is being reviewed, was reviewed during the preceding 90-day period, or is likely to be reviewed in the coming quarter by the President or the Committee under subsection (a) or (b). Each such summary and analysis shall be submitted in unclassified form, with classified annexes, as the Secretary determines are required to protect company proprietary information and other sensitive information. Each such summary and analysis shall include an appendix detailing dissenting views.

“(3) MEMBERS OF CONGRESS.—The reports required by this subsection shall be transmitted to—

“(A) the Majority Leader and the Minority Leader of the Senate;

“(B) the chairs and ranking members of the Committee on Homeland Security and Government Affairs, the Committee on Armed Services, and the Committee on Banking, Housing, and Urban Affairs of the Senate;

“(C) the Speaker and the Minority Leader of the House of Representatives; and

“(D) the chairs and ranking members of the Committee on Homeland Security, the Committee on Armed Services, and the Committee on Financial Services of the House of Representatives.

“(j) REGULATIONS.—The Secretary shall issue regulations to carry out this section. Such regulations shall, to the extent possible, minimize paperwork burdens and shall to the extent possible coordinate reporting requirements under this section with reporting requirements under any other provision of Federal law.

“(k) EFFECT ON OTHER LAW.—Nothing in this section shall be construed to alter or affect any existing power, process, regulation, investigation, enforcement measure, or review provided by any other provision of law.

“(l) TECHNOLOGY RISK ASSESSMENTS.—In any case in which an assessment of the risk of diversion of a critical technology is performed by a person designated by the President for such purpose, a copy of such assessment shall be provided to each member of the Committee for purposes of reviewing or investigating a merger, acquisition, or takeover under this section.

“(m) QUADRENNIAL REPORT.—

“(1) IN GENERAL.—In order to assist the Congress in its oversight responsibilities with respect to this section, the President and such agencies as the President shall des-

ignate shall complete and furnish to the Congress, not later than 1 year after the date of enactment of this section and every 4 years thereafter, a report which—

“(A) evaluates whether there is credible evidence of a coordinated strategy by 1 or more countries or companies to acquire critical infrastructure within the United States or United States companies involved in research, development, or production of critical technologies for which the United States is a leading producer; and

“(B) evaluates whether there are industrial espionage activities directed or directly assisted by foreign governments against private United States companies aimed at obtaining commercial secrets related to critical technologies or critical infrastructure.

“(2) RELEASE OF UNCLASSIFIED STUDY.—The report required by this subsection may be classified. An unclassified version of the report shall be made available to the public.

“(n) EXEMPTION.—Notwithstanding any other provision of law, the provisions of section 872 do not apply to the Committee or with respect to any provision of this subtitle.

“(o) DEFINITIONS.—As used in this section—

“(1) the term ‘critical technologies’ means technologies identified under title VI of the National Science and Technology Policy, Organization, and Priorities Act of 1976, or other critical technology, critical components, or critical technology items essential to national defense identified pursuant to this section;

“(2) the term ‘Committee’ means the Committee for Secure Commerce, established under subsection (c);

“(3) the term ‘foreign person’ means any foreign organization or any individual resident in a foreign country or any organization or individual owned or controlled by such an organization or individual; and

“(4) the term ‘intelligence community’ has the same meaning as in section 3 of the National Security Act of 1947 (50 U.S.C. 401a).”

Mr. LIEBERMAN. Mr. President, I rise today to speak on behalf of legislation introduced by Senator COLLINS and myself that would create a new Committee for Secure Commerce at the Department of Homeland Security to review the proposed sale of U.S. properties to foreign investors. This Committee would replace the Committee on Foreign Investments in the United States, whose hasty approval of the Dubai Ports World acquisition of terminals at several U.S. ports led to a public outcry, which eventually led to DPW’s withdrawal from the deal.

The entire affair has been poorly handled, from the original failure to conduct a thorough investigation to the failure to consult with and inform the Congress and the American public. Any proposed foreign investment in this country needs a thorough and fair review to ensure that our national security or homeland security is not jeopardized. I was not among those who called for the deal to be prohibited before a thorough investigation was conducted, because I felt that Dubai Ports World never got a chance to make a case that its ownership of port terminals in the U.S. would not jeopardize our homeland security. Because of the initial public outcry, they were condemned before they were allowed to stand trial, and I believed that violated this Nation’s commitment to the rule

of law. A required 45-day investigation of the deal should have been initiated. Congress should have been better informed of the proposed acquisition in the works. And the American people deserved a clear explanation from their President about why he thought the sale was in our interest.

National security must be the first consideration in the sale of U.S. property to foreign investors, especially at this period in our history, when the threat of terrorist attack is always present. Our legislation would ensure that foreign investments are scrutinized by the agencies most directly responsible for protecting this Nation.

That is the underlying purpose of our legislation.

Our bill would create the Committee for Secure Commerce within the Department of Homeland Security to review and investigate any mergers, acquisitions, or takeovers of assets within the U.S. by foreign companies.

Like CFIUS, the new Committee would have 30 days to conduct a review of transactions, but could also seek a longer, 45-day investigation as well. A 45-day investigation would be obligatory if a company controlled by a foreign government tries to purchase assets involved in U.S. interstate commerce. And if any member of the Committee objected to a proposed deal, the President would have the final say on whether it went forward, or whether a divestiture, or some other remedy, was necessary.

The Committee would be chaired by the Department of Homeland Security. The Defense Department would serve as a vice chair. Our bill also strengthens Congressional oversight by requiring immediate congressional notification of all mandatory investigations, and quarterly reports on all other transactions.

The Senate Committee on Homeland Security and Governmental Affairs received an illuminating briefing on the Dubai Ports World deal late last month. At that briefing, we learned that the Coast Guard had expressed some intelligence concerns about the transaction but that not all CFIUS members were informed of these concerns. Our legislation addresses this shortcoming by adding the Director of National Intelligence as a full member of the committee and ensuring all intelligence assessments are consolidated and shared with all Committee members and the President.

Our legislation is intended to directly address the concerns raised by the Government Accountability Office that CFIUS tended to focus more on investments issues rather than security issues—by placing DHS and DoD in charge, and by specifically including homeland security issues as factors to be considered by the new committee.

The rush to judgment on the DPW deal did not allow the company to stand or fall on its own merits. And

that is not how we do things in America. We do not judge people in our democracy by their race, nationality, religion, gender, sexual orientation, or age. We judge people on their merits.

I believe this legislation would establish a better process for judging the wisdom or folly of selling U.S. property to foreign owners by establishing that the Nation's security should be the preeminent consideration in foreign purchases of U.S. property and by ensuring that everyone's concerns about such sales get a fair hearing.

Mr. AKAKA. Mr. President, I am pleased to join Senator COLLINS and Senator LIEBERMAN in introducing a bill to transfer the authority of reviewing foreign investment in the United States to the Department of Homeland Security and to impose additional structure and increase congressional oversight on the review process. There has been a failure in Government procedure that must be corrected, and this legislation will address those procedural failures.

I am concerned that our process to review acquisitions, mergers or takeovers of U.S. corporations by foreign entities that "may" pose a national security threat, did not trigger the Committee on Foreign Investment in the United States, CFIUS, to conduct a more thorough review. While the United Arab Emirates has supported the United States in the war against terrorism, its past activities related to terrorist groups should have triggered CFIUS to conduct a more thorough review.

More specifically, the act states that if there is an acquisition, merger, or takeover of a U.S. corporation by a foreign entity, then CFIUS, an interagency committee chaired by the Secretary of Treasury, reviews the deal to ascertain if there is any threat to our national security. In addition, in accordance with Section 837(a) of the National Defense Authorization Act for fiscal year 1993, called the Byrd amendment, amended Section 721 of the Defense Production Act, the Exon-Florio provision, a more extensive review should have been conducted on the Dubai Ports World deal, especially since certain members of CFIUS did have national security concerns about the acquisition.

Given the questionable interpretation by CFIUS on the Byrd amendment, I believe it is important for Congress to revisit the act and clarify the provisions that require CFIUS to conduct a thorough review of foreign acquisitions, mergers, and takeovers.

Our legislation removes any ambiguity by specifically requiring an investigation any time a foreign government-owned corporation is involved in a transaction. As ranking member on the Oversight of Government Management Subcommittee, it is my responsibility to evaluate governmental processes and develop solutions that ensure our national and homeland security while maintaining the favorable pro-

motion of foreign investments in the United States.

I was pleased to work with Senator COLLINS and Senator LIEBERMAN, chairman and ranking member of the Homeland Security and Government Affairs Committee, respectively, on drafting the legislation to address these process shortcomings, which will promote reasonable transparency and oversight within the foreign investment review process. The security of U.S. ports is of great concern to me because my home State of Hawaii receives 98 percent of its imports via sea-based transportation.

Given the national and homeland security implications of the proposed DP World takeover, I believe it is absolutely necessary for Congress to ensure that the executive branch performs a rigorous review of the transaction. Our bill ensures that Congress is informed of pending investigations that may impact national or homeland security prior to the President making a decision whether to disapprove the transaction. I believe that additional intelligence community resources should have been drawn upon before the President made his determination to support the transaction. There should have been a consolidated intelligence assessment, and this report should have been provided to all senior members of the review committee. The bill we introduce today requires consolidated intelligence assessments to be developed by the Director of National Intelligence and provided to all review committee members, thereby ensuring that all members are sufficiently informed.

I was also disturbed that two of the reviewing Departments—the Departments of Defense and Homeland Security—do not currently have internal written instructions on their review processes. How do we know that adequate reviews of foreign investment in the United States are being conducted by these two critical CFIUS members if a systematic and documented process, subject to audit, does not exist? Our legislation requires the development and documentation of internal procedures to ensure that all reviewing members use a standardized process while conducting their review of foreign investment proposals.

Mr. President, I am pleased that Dubai Ports World is attempting to address the concerns of the American public. However, this problem is bigger than just a single transaction, which is why we are introducing this legislation today. I am honored to cosponsor, with Senator COLLINS and Senator LIEBERMAN, this bill which reforms the process of reviewing foreign investment in the United States.

By Mr. GRASSLEY (for himself and Mr. BAUCUS):

S. 2401. A bill to amend the Internal Revenue Code of 1986 to extend certain energy tax incentives, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise to speak in support of a bill that I am introducing today, the Combating Money Laundering and Terrorist Financing Act of 2006.

I first introduced the Combating Money Laundering and Terrorist Financing Act in 2003 to address what I saw as a significant threat to the security of our Nation. Money laundering is an issue of profound importance to our national security because it undermines financial stability by infiltrating and using legitimate financial institutions to hide the illegitimate source of these funds. Money laundering also affects our national security simply because money is the motivating factor for so much of the criminal activities that affect our daily lives, from shoplifting and petty theft to drug trafficking and multi-million dollar stock frauds.

We also know that money laundering is a key tool for terrorist groups because it fuels their ability to spread murder, fear and destruction throughout the world. One of the 9/11 Commission Report recommendations stated that, "Vigorous efforts to track terrorist financing must remain front and center in the U.S. counter-terrorism efforts." The Commission expressed its concerns about terrorist financing and "the need to crack down on terrorist organizations and curtail their funding." I strongly share the Commission's concerns and support their recommendations that they provided in their final report.

However, I am very concerned about the 9/11 Commission's Final Report Card, released on December 5, 2005, which gave the U.S. Government an A- for our "vigorous efforts against terror financing." After the release of the 9/11 Commission Report and nearly 4 years after the terrorist attacks on the World Trade Center and the Pentagon, our Government is still too ill-equipped and fraught with in-fighting to rate an A- for its efforts. While we have made significant strides in identifying the methods used to earn, store and move this money, we are still far behind the curve on shutting down the flow of illicit financing permanently.

Billions of dollars continue to be funneled to terrorist and criminal organizations after being laundered for these organizations around the world. Therefore, we must continue to increase the pressure we put on these organizations until we reach the point where their ever-changing money laundering methods are no longer convenient, profitable or effective.

The legislation I am introducing today includes several provisions that will strengthen our current money laundering laws by streamlining a number of statutes, clarifying language in the current law and closing loopholes that are often exploited by criminal organizations. As our new anti-money laundering laws have proven to be effective and make money laundering through traditional financial institutions more difficult, criminals are

forced to shift methods to launder their illegally gained funds. As these criminals change their tactics, so must we. Allow me to tell you about some of the key changes that this bill includes to meet these challenges.

To begin with, under current law there are over 200 "specified unlawful activities" or "SUA's" that serve as predicate offenses for money laundering charges. As criminals continue to alter their methods of laundering illegal funds, this list of required "SUA's" is sure to grow. My legislation will eliminate the need to continually update the statutes by consolidating the growing list of "specified unlawful activities" to include all offenses punishable by imprisonment for more than 1 year. This legislation also recognizes the global aspect of money laundering by including foreign offenses that would be illegal money laundering offenses had they occurred within U.S. jurisdiction.

This bill also simplifies current law by allowing the government to charge money laundering acts as a "course of conduct." Currently, in most circuits, courts are required to charge each money laundering transaction as a separate count. This legislation allows, but does not require, courts to charge a series of money laundering offenses as a "course of conduct." This change would reduce the time and expense currently incurred by courts that are required to charge and prosecute each separate violation of the money laundering laws.

As new laws have made money laundering through traditional financial institutions more difficult, criminals are turning to riskier methods of moving their money. One growing area is bulk cash smuggling, and as such, this bill increases the penalty for bulk cash smuggling to 10 years.

In addition, many "money service businesses," or "MSB's" have also come under increased scrutiny because of their suspected role in moving funds from the United States to terrorist organizations throughout the world. Another provision of my legislation amends Section 373 of the USA PATRIOT Act regarding money service businesses to read "illegal" instead of "unlicensed" to ensure that the law covers any money service business that promotes unlawful activity as a course of business.

Another money laundering technique is for couriers to carry checks that are complete except for the dollar amount. Under this approach the couriers attempt to avoid U.S. Customs reporting requirements through the movement of monetary instruments that are in bearer form and are worth over \$10,000. Even though the blank checks are in bearer form, they argue that the value being left blank is not over \$10,000 and does not need to be reported. Once they and the blank check reach their destination, all they need to do is to fill in the amount, whatever that may be, and have it negotiated. This legislation re-

moves any confusion as to whether this act is a violation of the reporting requirement. This bill would resolve this issue by clarifying that a check in bearer form, with an amount left blank shall be deemed to have a value equal to the highest amount in the bank account that it is drawn upon while the check was being transported, or when the blank check is cashed or intended to be cashed.

My legislation eliminates confusion or ambiguity about the definition of "commingled funds," and structured transactions. "Commingling of funds" is a method often used by criminals to disguise illegal money from legal money by mixing the funds together in one account. "Structured transactions" is a method used to circumvent our monetary transaction reporting requirements by breaking monetary transactions into several smaller dollar amounts so as to avoid a Government reporting requirement if the transaction had been only one transaction with a value over \$10,000. Plus, this legislation clarifies extraterritorial jurisdiction to include money laundering acts that have an effect in the United States.

Often, money couriers are intercepted before they reach the collection point but are released because they claim that they didn't know that the money was derived illegally. My bill ensures that the courier can no longer be released from responsibility in the money laundering chain by claiming ignorance about how the money was derived, which means the law enforcement agency can get both the courier and the money off the street.

Finally, this bill updates counterfeiting statutes to keep them current with new technology and devices, such as holograms, that are used to produce counterfeits of U.S. obligations and securities.

The battle against terrorism and organized criminal groups must be fought on many fronts—including the financial front. We know that we have made strides in this area as evidenced by the money launderers' use of different techniques. As important as it is to learn what techniques these criminals use, it is just as important to act upon this knowledge. If we can shut down the flow of illegal money, whether generated by drug sales or in support of terrorist activities, I believe we will make a significant impact on the demise of these criminal and terrorist groups. This bill is important to identifying particular criminal and terrorist financing operations and putting them out of business. I urge my colleagues to support my legislation and strengthen our national efforts against the continued threat of terrorist financing and financial crimes.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2402

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Combating Money Laundering and Terrorist Financing Act of 2006".

**TITLE I—MONEY LAUNDERING****SEC. 101. SPECIFIED UNLAWFUL ACTIVITY.**

Section 1956(c)(7) of title 18, United States Code, is amended to read as follows:

"(7) the term 'specified unlawful activity' means—

"(A) any act or activity constituting an offense in violation of the laws of the United States or any State punishable by imprisonment for a term exceeding 1 year; and

"(B) any act or activity occurring outside of the United States that would constitute an offense covered under subparagraph (A) if the act or activity had occurred within the jurisdiction of the United States or any State;"

**SEC. 102. MAKING THE DOMESTIC MONEY LAUNDERING STATUTE APPLY TO "REVERSE MONEY LAUNDERING" AND INTERSTATE TRANSPORTATION.**

(a) IN GENERAL.—Section 1957 of title 18, United States Code, is amended—

(1) in the heading, by inserting "**or in support of criminal activity**" after "**specified unlawful activity**";

(2) in subsection (a), by striking "Whoever" and inserting the following:

"(1) Whoever"; and

(3) by adding at the end the following:

"(2) Whoever—

"(A) in any of the circumstances set forth in subsection (d)—

"(i) conducts or attempts to conduct a monetary transaction involving property of a value that is greater than \$10,000; or

"(ii) transports, attempts to transport, or conspires to transport property of a value that is greater than \$10,000;

"(B) in or affecting interstate commerce; and

"(C) either—

"(i) knowing that the property was derived from some form of unlawful activity; or

"(ii) with the intent to promote the carrying on of specified unlawful activity;

shall be fined under this title, imprisoned for a term of years not to exceed the statutory maximum for the unlawful activity from which the property was derived or the unlawful activity being promoted, or both."

(b) CHAPTER ANALYSIS.—The item relating to section 1957 in the table of sections for chapter 95 of title 18, United States Code, is amended to read as follows:

"1957. Engaging in monetary transactions in property derived from specified unlawful activity or in support of criminal activity."

**SEC. 103. PROCEDURE FOR ISSUING SUBPOENAS IN MONEY LAUNDERING CASES.**

(a) IN GENERAL.—Section 986 of title 18, United States Code, is amended by adding at the end the following:

"(e) PROCEDURE FOR ISSUING SUBPOENAS.—The Attorney General, the Secretary of the Treasury, or the Secretary of Homeland Security may issue a subpoena in any investigation of a violation of sections 1956, 1957 or 1960, or sections 5316, 5324, 5331 or 5332 of title 31, United States Code, in the manner set forth under section 3486."

(b) GRAND JURY AND TRIAL SUBPOENAS.—Section 5318(k)(3)(A)(i) of title 31, United States Code, is amended—

(1) by striking "related to such correspondent account";

(2) by striking "or the Attorney General" and inserting "the Attorney General, or the Secretary of Homeland Security"; and

(3) by adding at the end the following:

“(iii) GRAND JURY OR TRIAL SUBPOENA.—In addition to a subpoena issued by the Attorney General, Secretary of the Treasury, or the Secretary of Homeland Security under clause (i), a subpoena under clause (i) includes a grand jury or trial subpoena requested by the Government.”.

(c) FAIR CREDIT REPORTING ACT AMENDMENT.—Section 604(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)(1)) is amended—

(1) by striking “or”; and

(2) by inserting before the period the following: “, or an investigative subpoena issued under section 5318 of title 31, United States Code”.

(d) OBSTRUCTION OF JUSTICE.—Section 1510(b) of title 18, United States Code, is amended—

(1) in paragraph (2)(A), by inserting “or an investigative subpoena issued under section 5318 of title 31, United States Code” after “grand jury subpoena”; and

(2) in paragraph (3)(B), by inserting “, an investigative subpoena issued under section 5318 of title 31, United States Code,” after “grand jury subpoena”.

(e) RIGHT TO FINANCIAL PRIVACY ACT.—Section 1120 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3420) is amended—

(1) in subsection (a)(1), by inserting “or to the Government” after “to the grand jury”; and

(2) in subsection (b)(1), by inserting “, or an investigative subpoena issued pursuant to section 5318 of title 31, United States Code,” after “grand jury subpoena”.

**SEC. 104. TRANSPORTATION OR TRANSHIPMENT OF BLANK CHECKS IN BEARER FORM.**

Section 5316 of title 31, United States Code, is amended by adding at the end the following:

“(e) MONETARY INSTRUMENTS WITH AMOUNT LEFT BLANK.—For purposes of this section, a monetary instrument in bearer form that has the amount left blank, such that the amount could be filled in by the bearer, shall be considered to have a value equal to the highest value of the funds in the account on which the monetary instrument is drawn during the time period the monetary instrument was being transported or the time period it was negotiated or was intended to be negotiated.”.

**SEC. 105. BULK CASH SMUGGLING.**

Section 5332(a) of title 31, United States Code, is amended—

(1) in subsection (b)(1), by striking “5 years” and inserting “10 years”; and

(2) by adding at the end the following:

“(d) INVESTIGATIVE AUTHORITY.—Violations of this section may be investigated by the Attorney General, the Secretary of the Treasury, the Secretary of Homeland Security, and the Postal Service.”.

**SEC. 106. VIOLATIONS INVOLVING COMMINGLED FUNDS AND STRUCTURED TRANSACTIONS.**

Section 1957(f) of title 18, United States Code, is amended—

(1) in paragraph (2) by striking “and” at the end;

(2) in paragraph (3), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

“(4) the term ‘monetary transaction in criminally derived property that is of a value greater than \$10,000’ includes—

“(A) a monetary transaction involving the transfer, withdrawal, encumbrance or other disposition of more than \$10,000 from a bank account in which more than \$10,000 in proceeds of specified unlawful activity have been commingled with other funds;

“(B) a series of monetary transactions in amounts under \$10,000 that exceed \$10,000 in

the aggregate and that are closely related to each other in terms of such factors as time, the identity of the parties involved, the nature and purpose of the transactions, and the manner in which they are conducted; and

“(C) any financial transaction covered under section 1956(j) that involves more than \$10,000 in proceeds of specified unlawful activity; and

“(5) the term ‘monetary transaction involving property of a value that is greater than \$10,000’ includes a series of monetary transactions in amounts under \$10,000 that exceed \$10,000 in the aggregate and that are closely related to each other in terms of such factors as time, the identity of the parties involved, the nature and purpose of the transactions, and the manner in which they are conducted.”.

**SEC. 107. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.**

(a) IN GENERAL.—Section 1956 of title 18, United States Code, is amended by adding at the end the following:

“(j) MULTIPLE VIOLATIONS.—Multiple violations of this section that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.”.

(b) CONSPIRACIES.—Section 1956(h) of title 18, United States Code, is amended by striking “or section 1957” and inserting “, section 1957, or section 1960”.

**SEC. 108. ILLEGAL MONEY TRANSMITTING BUSINESSES.**

(a) TECHNICAL AMENDMENTS.—

(1) IN GENERAL.—Section 1960 of title 18, United States Code, is amended—

(A) in the heading by striking “unlicensed” and inserting “illegal”; and

(B) in subsection (a), by striking “unlicensed” and inserting “illegal”; and

(C) in subsection (b)(1), by striking “unlicensed” and inserting “illegal”; and

(D) in subsection (b)(1)(C), by striking “to be used to be used” and inserting “to be used”.

(2) CHAPTER ANALYSIS.—The item relating to section 1960 in the table of sections for chapter 95 of title 18, United States Code, is amended to read as follows:

“1960. Prohibition of illegal money transmitting businesses.”.

(b) DEFINITION OF BUSINESS TO INCLUDE INFORMAL VALUE TRANSFER SYSTEMS AND MONEY BROKERS FOR DRUG CARTELS.—Section 1960(b) of title 18, United States Code, is amended—

(1) in paragraph (2), by striking “and” at the end;

(2) in paragraph (3), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(4) the term ‘business’ includes any person or association of persons, formal or informal, licensed or unlicensed, that provides money transmitting services on behalf of any third party in return for remuneration or other consideration.”.

(c) PROHIBITION OF UNLICENSED MONEY TRANSMITTING BUSINESSES.—Section 1960(b)(1)(B) of title 18, United States Code, is amended by inserting the following before the semicolon: “, whether or not the defendant knew that the operation was required to comply with such registration requirements”.

(d) AUTHORITY TO INVESTIGATE.—Section 1960 of title 18, United States Code, is amended by adding at the end the following:

“(c) AUTHORITY TO INVESTIGATE.—Violations of this section may be investigated by the Attorney General, the Secretary of the Treasury, and the Secretary of Homeland Security.”.

**SEC. 109. KNOWLEDGE THAT THE PROPERTY IS THE PROCEEDS OF A SPECIFIC FELONY.**

(a) PROCEEDS OF A FELONY.—Section 1956(c)(1) of title 18, United States Code, is amended by inserting “, and regardless of whether or not the person knew that the activity constituted a felony” before the semicolon at the end.

(b) INTENT TO CONCEAL OR DISGUISE.—Section 1956(a) of title 18, United States Code, is amended—

(1) in paragraph (1)(B)(i), by striking “specified unlawful activity” and inserting “some form of unlawful activity”; and

(2) in paragraph (2)(B)(i), by striking “specified unlawful activity” and inserting “some form of unlawful activity”.

**SEC. 110. EXTRATERRITORIAL JURISDICTION.**

Section 1956(f)(1) of title 18, United States Code, is amended by inserting “or has an effect in the United States” after “conduct occurs in part in the United States”.

**SEC. 111. CONDUCT IN AID OF COUNTERFEITING.**

(a) IN GENERAL.—Section 474(a) of title 18, United States Code, is amended by inserting after the paragraph beginning “Whoever has in his control, custody, or possession any plate” the following:

“Whoever, with intent to defraud, has custody, control, or possession of any material that can be used to make, alter, forge, or counterfeit any obligation or other security of the United States or any part of such obligation or security, except under the authority of the Secretary of the Treasury; or”.

(b) FOREIGN OBLIGATIONS AND SECURITIES.—Section 481 of title 18, United States Code, is amended by inserting after the paragraph beginning “Whoever, with intent to defraud” the following:

“Whoever, with intent to defraud, has custody, control, or possession of any material that can be used to make, alter, forge, or counterfeit any obligation or other security of any foreign government, bank, or corporation; or”.

(c) COUNTERFEIT ACTS.—Section 470 of title 18, United States Code, is amended by striking “or 474” and inserting “474, or 474A”.

(d) MATERIALS USED IN COUNTERFEITING.—Section 474A(b) of title 18, United States Code, is amended by striking “any essentially identical” and inserting “any thing or material made after or in the similitude of any”.

**TITLE II—TECHNICAL AMENDMENTS**

**SEC. 201. TECHNICAL AMENDMENTS TO SECTIONS 1956 AND 1957.**

(a) UNLAWFUL ACTIVITY.—Section 1956(c) of title 18, United States Code, is amended—

(1) in paragraph (2), by striking “‘conducts’” and inserting “‘conduct’”; and

(2) in paragraph (7)(F), by inserting “, as defined in section 24(a)” before the semicolon.

(b) PROPERTY FROM UNLAWFUL ACTIVITY.—Section 1957 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “engages or attempts to engage in” and inserting “conducts or attempts to conduct”; and

(2) in subsection (f)—

(A) in paragraph (2), by striking “and” at the end;

(B) in paragraph (3), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(4) the term ‘conduct’ has the meaning given such term under section 1956(c)(2).”.

By Mr. GRASSLEY (for himself, Mr. KYL, Mr. CORNYN, Mr. DEWINE, and Mr. GRAHAM):

S. 2402. A bill to improve the prohibitions on money laundering, and for

other purposes; to the Committee on the Judiciary.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the text of a bill introduced by me today that may be cited as the "Alternative Energy Extender Act" be printed in the RECORD.

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

S. 2401

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the "Alternative Energy Extender Act".

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—ENERGY INFRASTRUCTURE TAX INCENTIVES**

Sec. 101. Extension of credit for electricity produced from certain renewable resources.

Sec. 102. Extension and expansion of credit to holders of clean renewable energy bonds.

Sec. 103. Extension and expansion of qualifying advanced coal project credit.

Sec. 104. Extension and expansion of qualifying gasification project credit.

**TITLE II—DOMESTIC FOSSIL FUEL SECURITY**

Sec. 201. Extension of election to expense certain refineries.

**TITLE III—CONSERVATION AND ENERGY EFFICIENCY PROVISIONS**

Sec. 301. Extension of energy efficient commercial buildings deduction.

Sec. 302. Extension of new energy efficient home credit.

Sec. 303. Extension of residential energy efficient property credit.

Sec. 304. Extension of credit for business installation of qualified fuel cells and stationary microturbine power plants.

Sec. 305. Extension of business solar investment tax credit.

**TITLE IV—ALTERNATIVE FUELS AND VEHICLES INCENTIVES**

Sec. 401. Extension of excise tax provisions, income tax credits, and tariff duties.

**TITLE I—ENERGY INFRASTRUCTURE TAX INCENTIVES**

**SEC. 101. EXTENSION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.**

Section 45(d) of the Internal Revenue Code of 1986 (relating to qualified facilities) is amended by striking "2008" each place it appears and inserting "2011".

**SEC. 102. EXTENSION AND EXPANSION OF CREDIT TO HOLDERS OF CLEAN RENEWABLE ENERGY BONDS.**

(a) **IN GENERAL.**—Section 54(m) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "2007" and inserting "2010".

(b) **ANNUAL VOLUME CAP FOR BONDS ISSUED DURING EXTENSION PERIOD.**—Paragraph (1) of section 54(f) of the Internal Revenue Code of 1986 (relating to limitation on amount of bonds designated) is amended to read as follows:

"(1) **NATIONAL LIMITATION.**—

"(A) **INITIAL NATIONAL LIMITATION.**—With respect to bonds issued after December 31,

2005, and before January 1, 2008, there is a national clean renewable energy bond limitation of \$800,000,000.

"(B) **ANNUAL NATIONAL LIMITATION.**—With respect to bonds issued after December 31, 2007, and before January 1, 2011, there is a national clean renewable energy bond limitation for each calendar year of \$800,000,000."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

**SEC. 103. EXTENSION AND EXPANSION OF QUALIFYING ADVANCED COAL PROJECT CREDIT.**

(a) **IN GENERAL.**—Section 48A(d)(3)(A) of the Internal Revenue Code of 1986 (relating to aggregate credits) is amended by striking "\$1,300,000,000" and inserting "\$1,800,000,000".

(b) **AUTHORIZATION OF ADDITIONAL INTEGRATED GASIFICATION COMBINED CYCLE PROJECTS.**—Subparagraph (B) of section 48A(d)(3) of the Internal Revenue Code of 1986 (relating to aggregate credits) is amended to read as follows:

"(B) **PARTICULAR PROJECTS.**—Of the dollar amount in subparagraph (A), the Secretary is authorized to certify—

"(i) \$800,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(i),

"(ii) \$500,000,000 for projects which use other advanced coal-based generation technologies the application for which is submitted during the period described in paragraph (2)(A)(i), and

"(iii) \$500,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(ii)."

(c) **APPLICATION PERIOD FOR ADDITIONAL PROJECTS.**—Subparagraph (A) of section 48A(d)(2) of the Internal Revenue Code of 1986 (relating to certification) is amended to read as follows:

"(A) **APPLICATION PERIOD.**—Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant may only submit an application—

"(i) for an allocation from the dollar amount specified in clause (i) or (ii) of paragraph (3)(A) during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1), and

"(ii) for an allocation from the dollar amount specified in paragraph (3)(A)(iii) during the 3-year period beginning at the termination of the period described in clause (i)."

(d) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the amendments made by section 1307 of the Energy Policy Act of 2005.

**SEC. 104. EXTENSION AND EXPANSION OF QUALIFYING GASIFICATION PROJECT CREDIT.**

(a) **IN GENERAL.**—Section 48B(d)(1) of the Internal Revenue Code of 1986 (relating to qualifying gasification project program) is amended by striking "\$350,000,000" and inserting "\$850,000,000".

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendments made by section 1307 of the Energy Policy Act of 2005.

**TITLE II—DOMESTIC FOSSIL FUEL SECURITY**

**SEC. 201. EXTENSION OF ELECTION TO EXPENSE CERTAIN REFINERIES.**

(a) **IN GENERAL.**—Section 179C(c)(1) of the Internal Revenue Code of 1986 (defining qualified refinery property) is amended—

(1) by striking "and before January 1, 2012" in subparagraph (B) and inserting "and, in the case of any qualified refinery described in subsection (d)(1), before January 1, 2012", and

(2) by inserting "if described in subsection (d)(1)" after "of which" in subparagraph (F)(i).

(b) **CONFORMING AMENDMENT.**—Subsection (d) of section 179C of the Internal Revenue Code of 1986 is amended to read as follows:

"(d) **QUALIFIED REFINERY.**—For purposes of this section, the term 'qualified refinery' means any refinery located in the United States which is designed to serve the primary purpose of processing liquid fuel from—

"(1) crude oil, or

"(2) qualified fuels (as defined in section 45K(c))."

(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as if included in the amendment made by section 1323(a) of the Energy Policy Act of 2005.

**TITLE III—CONSERVATION AND ENERGY EFFICIENCY PROVISIONS**

**SEC. 301. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.**

Section 179D(h) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "2007" and inserting "2010".

**SEC. 302. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT.**

(a) **IN GENERAL.**—Subsection (g) of section 45L of the Internal Revenue Code of 1986 (relating to new energy efficient home credit) is amended to read as follows:

"(g) **TERMINATION.**—This section shall not apply to—

"(1) any qualified new energy efficient home meeting the energy saving requirements of subsection (c)(1) acquired after December 31, 2010, and

"(2) any qualified new energy efficient home meeting the energy saving requirements of paragraph (2) or (3) of subsection (c) acquired after December 31, 2007."

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect as if included in the amendments made by section 1332 of the Energy Policy Act of 2005.

**SEC. 303. EXTENSION OF RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT.**

Section 25D(g) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "2007" and inserting "2010".

**SEC. 304. EXTENSION OF CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.**

Sections 48(c)(1)(E) and 48(c)(2)(E) of the Internal Revenue Code of 1986 (relating to termination) are each amended by striking "2007" and inserting "2010".

**SEC. 305. EXTENSION OF BUSINESS SOLAR INVESTMENT TAX CREDIT.**

Sections 48(a)(2)(A)(i)(II) and 48(a)(3)(A)(ii) of the Internal Revenue Code of 1986 (relating to termination) are each amended by striking "2008" and inserting "2011".

**TITLE IV—ALTERNATIVE FUELS AND VEHICLES INCENTIVES**

**SEC. 401. EXTENSION OF EXCISE TAX PROVISIONS, INCOME TAX CREDITS, AND TARIFF DUTIES.**

(a) **BIODIESEL.**—Sections 40A(g), 6426(c)(6), and 6427(e)(5)(B) of the Internal Revenue Code of 1986 are each amended by striking "2008" and inserting "2010".

(b) **ALTERNATIVE FUEL.**—

(1) **FUELS.**—Sections 6426(d)(4) and 6427(e)(5)(C) of the Internal Revenue Code of 1986 are each amended by striking "September 30, 2009" and inserting "December 31, 2010".

(2) **REFUELING PROPERTY.**—Section 30C(g) of such Code is amended by striking "2009" and inserting "2010".

(c) **ETHANOL TARIFF SCHEDULE.**—Headings 9901.00.50 and 9901.00.52 of the Harmonized

Tariff Schedule of the United States (19 U.S.C. 3007) are each amended in the effective period column by striking “10/1/2007” each place it appears and inserting “1/1/2011”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2007.

#### SUBMITTED RESOLUTIONS DURING ADJOURNMENT

#### ORIGINAL MEASURE REPORTED OUT DURING ADJOURNMENT

#### SENATE CONCURRENT RESOLUTION 83—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2007 AND INCLUDING THE APPROPRIATE BUDGETARY LEVELS FOR FISCAL YEARS 2006 AND 2008 THROUGH 2011

Mr. GREGG from the Committee on the Budget; submitted the following concurrent resolution; which was placed on the calendar:

S. CON. RES. 83

*Resolved by the Senate (the House of Representatives concurring),*

#### SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2007.

(a) DECLARATION.—The Congress declares that the concurrent resolution on the budget for fiscal year 2007 is hereby established and that the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011 are set forth.

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2007.

#### TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Social Security.

Sec. 103. Major functional categories.

#### TITLE II—RECONCILIATION

Sec. 201. Reconciliation in the Senate.

#### TITLE III—RESERVE FUNDS

Sec. 301. Reserve fund for the uninsured.

Sec. 302. Reserve fund for health information technology.

Sec. 303. Reserve fund for the Asbestos Injury Trust Fund.

Sec. 304. Reserve fund for the safe importation of prescription drugs.

Sec. 305. Reserve fund for Secure Rural Schools and Community Self-Determination Act Reauthorization.

Sec. 306. Reserve fund for comprehensive immigration reform.

Sec. 307. Reserve fund for Indian Claim Settlement.

Sec. 308. Reserve fund for the National Flood Insurance Program.

Sec. 309. Reserve fund to protect America's competitive edge.

Sec. 310. Reserve fund for Land and Water Conservation Fund.

Sec. 311. Reserve fund for chronic care case management.

Sec. 312. Reserve fund for receipts from Bonneville Power Administration.

#### TITLE IV—ENFORCEMENT

Sec. 401. Restrictions on advance appropriations.

Sec. 402. Emergency legislation.

Sec. 403. Discretionary spending limits.

Sec. 404. Application and effect of changes in allocations and aggregates.

Sec. 405. Adjustments to reflect changes in concepts and definitions.

Sec. 406. Direct spending limitation.

Sec. 407. Exercise of rulemaking powers.

#### TITLE I—RECOMMENDED LEVELS AND AMOUNTS

#### SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2006 through 2011:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 2006: \$1,694,445,000,000.

Fiscal year 2007: \$1,786,173,000,000.

Fiscal year 2008: \$1,914,133,000,000.

Fiscal year 2009: \$2,012,736,000,000.

Fiscal year 2010: \$2,122,301,000,000.

Fiscal year 2011: \$2,203,236,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

Fiscal year 2006: —\$9,746,000,000.

Fiscal year 2007: —\$33,426,000,000.

Fiscal year 2008: —\$7,643,000,000.

Fiscal year 2009: —\$18,835,000,000.

Fiscal year 2010: —\$13,676,000,000.

Fiscal year 2011: —\$153,835,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 2006: \$2,279,715,000,000.

Fiscal year 2007: \$2,317,893,000,000.

Fiscal year 2008: \$2,339,415,000,000.

Fiscal year 2009: \$2,429,717,000,000.

Fiscal year 2010: \$2,532,787,000,000.

Fiscal year 2011: \$2,655,164,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2006: \$2,246,519,000,000.

Fiscal year 2007: \$2,340,463,000,000.

Fiscal year 2008: \$2,379,718,000,000.

Fiscal year 2009: \$2,441,569,000,000.

Fiscal year 2010: \$2,530,892,000,000.

Fiscal year 2011: \$2,645,373,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 2006: —\$552,064,000,000.

Fiscal year 2007: —\$554,290,000,000.

Fiscal year 2008: —\$465,585,000,000.

Fiscal year 2009: —\$428,833,000,000.

Fiscal year 2010: —\$408,591,000,000.

Fiscal year 2011: —\$442,137,000,000.

(5) DEBT SUBJECT TO LIMIT.—The appropriate levels of the public debt are as follows:

Fiscal year 2006: \$8,526,578,000,000.

Fiscal year 2007: \$9,190,311,000,000.

Fiscal year 2008: \$9,766,883,000,000.

Fiscal year 2009: \$10,302,957,000,000.

Fiscal year 2010: \$10,815,812,000,000.

Fiscal year 2011: \$11,355,281,000,000.

(6) DEBT HELD BY THE PUBLIC.—The appropriate levels of debt held by the public are as follows:

Fiscal year 2006: \$4,966,840,000,000.

Fiscal year 2007: \$5,336,498,000,000.

Fiscal year 2008: \$5,599,634,000,000.

Fiscal year 2009: \$5,809,201,000,000.

Fiscal year 2010: \$5,980,485,000,000.

Fiscal year 2011: \$6,169,011,000,000.

#### SEC. 102. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—The amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2006: \$608,408,000,000.

Fiscal year 2007: \$641,747,000,000.

Fiscal year 2008: \$676,433,000,000.

Fiscal year 2009: \$711,760,000,000.

Fiscal year 2010: \$747,339,000,000.

Fiscal year 2011: \$782,032,000,000.

(b) SOCIAL SECURITY OUTLAYS.—The amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2006: \$425,033,000,000.

Fiscal year 2007: \$442,275,000,000.

Fiscal year 2008: \$458,076,000,000.

Fiscal year 2009: \$476,224,000,000.

Fiscal year 2010: \$496,886,000,000.

Fiscal year 2011: \$516,292,000,000.

(c) SOCIAL SECURITY ADMINISTRATIVE EXPENSES.—In the Senate, the amounts of new budget authority and budget outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for administrative expenses are as follows:

Fiscal year 2006:

(A) New budget authority, \$4,568,000,000.

(B) Outlays, \$4,576,000,000.

Fiscal year 2007:

(A) New budget authority, \$4,721,000,000.

(B) Outlays, \$4,750,000,000.

Fiscal year 2008:

(A) New budget authority, \$4,862,000,000.

(B) Outlays, \$4,836,000,000.

Fiscal year 2009:

(A) New budget authority, \$5,009,000,000.

(B) Outlays, \$4,983,000,000.

Fiscal year 2010:

(A) New budget authority, \$5,159,000,000.

(B) Outlays, \$5,133,000,000.

Fiscal year 2011:

(A) New budget authority, \$5,314,000,000.

(B) Outlays, \$5,287,000,000.

#### SEC. 103. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2006 through 2011 for each major functional category are:

(1) National Defense (050):

Fiscal year 2006:

(A) New budget authority, \$561,144,000,000.

(B) Outlays, \$525,955,000,000.

Fiscal year 2007:

(A) New budget authority, \$545,366,000,000.

(B) Outlays, \$550,497,000,000.

Fiscal year 2008:

(A) New budget authority, \$481,696,000,000.

(B) Outlays, \$514,796,000,000.

Fiscal year 2009:

(A) New budget authority, \$501,780,000,000.

(B) Outlays, \$508,078,000,000.

Fiscal year 2010:

(A) New budget authority, \$511,863,000,000.

(B) Outlays, \$511,154,000,000.

Fiscal year 2011:

(A) New budget authority, \$522,791,000,000.

(B) Outlays, \$521,870,000,000.

(2) International Affairs (150):

Fiscal year 2006:

(A) New budget authority, \$31,936,000,000.

(B) Outlays, \$34,193,000,000.

Fiscal year 2007:

(A) New budget authority, \$31,430,000,000.

(B) Outlays, \$34,266,000,000.

Fiscal year 2008:

(A) New budget authority, \$34,420,000,000.

(B) Outlays, \$33,226,000,000.

Fiscal year 2009:

(A) New budget authority, \$34,417,000,000.

(B) Outlays, \$33,202,000,000.

Fiscal year 2010:

(A) New budget authority, \$34,138,000,000.

(B) Outlays, \$32,637,000,000.

Fiscal year 2011:

(A) New budget authority, \$34,577,000,000.

(B) Outlays, \$32,361,000,000.

(3) General Science, Space, and Technology (250):

- Fiscal year 2006:
  - (A) New budget authority, \$24,936,000,000.
  - (B) Outlays, \$24,059,000,000.
- Fiscal year 2007:
  - (A) New budget authority, \$26,238,000,000.
  - (B) Outlays, \$25,159,000,000.
- Fiscal year 2008:
  - (A) New budget authority, \$27,446,000,000.
  - (B) Outlays, \$26,279,000,000.
- Fiscal year 2009:
  - (A) New budget authority, \$28,493,000,000.
  - (B) Outlays, \$27,395,000,000.
- Fiscal year 2010:
  - (A) New budget authority, \$29,710,000,000.
  - (B) Outlays, \$28,525,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$30,989,000,000.
  - (B) Outlays, \$29,745,000,000.
- (4) Energy (270):
  - Fiscal year 2006:
    - (A) New budget authority, \$1,829,000,000.
    - (B) Outlays, \$2,030,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$2,212,000,000.
    - (B) Outlays, \$905,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$2,638,000,000.
    - (B) Outlays, \$673,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$2,267,000,000.
    - (B) Outlays, \$863,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$2,140,000,000.
    - (B) Outlays, \$817,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$2,044,000,000.
    - (B) Outlays, \$661,000,000.
- (5) Natural Resources and Environment (300):
  - Fiscal year 2006:
    - (A) New budget authority, \$35,188,000,000.
    - (B) Outlays, \$32,533,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$29,637,000,000.
    - (B) Outlays, \$33,026,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$28,830,000,000.
    - (B) Outlays, \$30,770,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$29,585,000,000.
    - (B) Outlays, \$30,408,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$29,036,000,000.
    - (B) Outlays, \$29,958,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$28,937,000,000.
    - (B) Outlays, \$29,655,000,000.
- (6) Agriculture (350):
  - Fiscal year 2006:
    - (A) New budget authority, \$28,258,000,000.
    - (B) Outlays, \$26,489,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$27,362,000,000.
    - (B) Outlays, \$26,788,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$25,214,000,000.
    - (B) Outlays, \$24,573,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$24,524,000,000.
    - (B) Outlays, \$23,841,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$23,382,000,000.
    - (B) Outlays, \$22,572,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$23,023,000,000.
    - (B) Outlays, \$22,293,000,000.
- (7) Commerce and Housing Credit (370):
  - Fiscal year 2006:
    - (A) New budget authority, \$14,536,000,000.
    - (B) Outlays, \$7,938,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$16,516,000,000.
    - (B) Outlays, \$8,025,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$13,175,000,000.
    - (B) Outlays, \$7,990,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$13,275,000,000.
- (B) Outlays, \$7,983,000,000.
- Fiscal year 2010:
  - (A) New budget authority, \$17,057,000,000.
  - (B) Outlays, \$8,852,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$11,861,000,000.
  - (B) Outlays, \$5,385,000,000.
- (8) Transportation (400):
  - Fiscal year 2006:
    - (A) New budget authority, \$74,858,000,000.
    - (B) Outlays, \$70,889,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$78,268,000,000.
    - (B) Outlays, \$75,774,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$81,293,000,000.
    - (B) Outlays, \$78,562,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$72,888,000,000.
    - (B) Outlays, \$78,336,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$72,936,000,000.
    - (B) Outlays, \$77,837,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$73,487,000,000.
    - (B) Outlays, \$77,842,000,000.
- (9) Community and Regional Development (450):
  - Fiscal year 2006:
    - (A) New budget authority, \$38,306,000,000.
    - (B) Outlays, \$59,547,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$14,657,000,000.
    - (B) Outlays, \$31,182,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$11,672,000,000.
    - (B) Outlays, \$25,111,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$11,766,000,000.
    - (B) Outlays, \$20,843,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$11,798,000,000.
    - (B) Outlays, \$16,945,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$12,053,000,000.
    - (B) Outlays, \$12,693,000,000.
- (10) Education, Training, Employment, and Social Services (500):
  - Fiscal year 2006:
    - (A) New budget authority, \$112,611,000,000.
    - (B) Outlays, \$106,461,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$86,899,000,000.
    - (B) Outlays, \$89,291,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$87,710,000,000.
    - (B) Outlays, \$85,968,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$87,579,000,000.
    - (B) Outlays, \$85,959,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$86,993,000,000.
    - (B) Outlays, \$86,082,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$86,958,000,000.
    - (B) Outlays, \$86,167,000,000.
- (11) Health (550):
  - Fiscal year 2006:
    - (A) New budget authority, \$267,375,000,000.
    - (B) Outlays, \$264,431,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$277,757,000,000.
    - (B) Outlays, \$275,319,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$291,712,000,000.
    - (B) Outlays, \$292,529,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$311,810,000,000.
    - (B) Outlays, \$310,164,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$328,268,000,000.
    - (B) Outlays, \$328,026,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$349,921,000,000.
    - (B) Outlays, \$348,486,000,000.
- (12) Medicare (570):
  - Fiscal year 2006:
    - (A) New budget authority, \$336,887,000,000.
- (B) Outlays, \$331,524,000,000.
- Fiscal year 2007:
  - (A) New budget authority, \$382,068,000,000.
  - (B) Outlays, \$387,541,000,000.
- Fiscal year 2008:
  - (A) New budget authority, \$441,150,000,000.
  - (B) Outlays, \$411,217,000,000.
- Fiscal year 2009:
  - (A) New budget authority, \$440,764,000,000.
  - (B) Outlays, \$440,455,000,000.
- Fiscal year 2010:
  - (A) New budget authority, \$470,247,000,000.
  - (B) Outlays, \$470,523,000,000.
- Fiscal year 2011:
  - (A) New budget authority, \$520,312,000,000.
  - (B) Outlays, \$520,350,000,000.
- (13) Income Security (600):
  - Fiscal year 2006:
    - (A) New budget authority, \$345,572,000,000.
    - (B) Outlays, \$356,189,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$357,862,000,000.
    - (B) Outlays, \$362,689,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$371,276,000,000.
    - (B) Outlays, \$374,323,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$381,802,000,000.
    - (B) Outlays, \$384,128,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$391,687,000,000.
    - (B) Outlays, \$393,080,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$406,513,000,000.
    - (B) Outlays, \$406,810,000,000.
- (14) Social Security (650):
  - Fiscal year 2006:
    - (A) New budget authority, \$14,820,000,000.
    - (B) Outlays, \$14,820,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$17,022,000,000.
    - (B) Outlays, \$17,022,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$18,914,000,000.
    - (B) Outlays, \$18,914,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$20,794,000,000.
    - (B) Outlays, \$20,794,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$22,966,000,000.
    - (B) Outlays, \$22,966,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$26,580,000,000.
    - (B) Outlays, \$26,580,000,000.
- (15) Veterans Benefits and Services (700):
  - Fiscal year 2006:
    - (A) New budget authority, \$72,041,000,000.
    - (B) Outlays, \$69,843,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$73,954,000,000.
    - (B) Outlays, \$73,054,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$76,130,000,000.
    - (B) Outlays, \$76,463,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$77,019,000,000.
    - (B) Outlays, \$77,318,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$77,437,000,000.
    - (B) Outlays, \$77,579,000,000.
  - Fiscal year 2011:
    - (A) New budget authority, \$81,603,000,000.
    - (B) Outlays, \$81,537,000,000.
- (16) Administration of Justice (750):
  - Fiscal year 2006:
    - (A) New budget authority, \$40,707,000,000.
    - (B) Outlays, \$40,769,000,000.
  - Fiscal year 2007:
    - (A) New budget authority, \$45,891,000,000.
    - (B) Outlays, \$46,296,000,000.
  - Fiscal year 2008:
    - (A) New budget authority, \$41,999,000,000.
    - (B) Outlays, \$43,907,000,000.
  - Fiscal year 2009:
    - (A) New budget authority, \$42,545,000,000.
    - (B) Outlays, \$43,366,000,000.
  - Fiscal year 2010:
    - (A) New budget authority, \$42,907,000,000.

(B) Outlays, \$43,136,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$43,952,000,000.  
(B) Outlays, \$43,582,000,000.  
(17) General Government (800):  
Fiscal year 2006:  
(A) New budget authority, \$18,831,000,000.  
(B) Outlays, \$18,969,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$19,534,000,000.  
(B) Outlays, \$19,252,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$18,536,000,000.  
(B) Outlays, \$18,485,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$20,878,000,000.  
(B) Outlays, \$20,624,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$18,049,000,000.  
(B) Outlays, \$17,844,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$18,679,000,000.  
(B) Outlays, \$18,435,000,000.  
(18) Net Interest (900):  
Fiscal year 2006:  
(A) New budget authority, \$317,020,000,000.  
(B) Outlays, \$317,020,000,000.  
Fiscal year 2007:  
(A) New budget authority, \$354,318,000,000.  
(B) Outlays, \$354,318,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$384,341,000,000.  
(B) Outlays, \$384,341,000,000.  
Fiscal year 2009:  
(A) New budget authority, \$407,021,000,000.  
(B) Outlays, \$407,021,000,000.  
Fiscal year 2010:  
(A) New budget authority, \$428,960,000,000.  
(B) Outlays, \$428,960,000,000.  
Fiscal year 2011:  
(A) New budget authority, \$451,181,000,000.  
(B) Outlays, \$451,181,000,000.  
(19) Allowances (920):  
Fiscal year 2006:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2007:  
(A) New budget authority, -\$500,000,000.  
(B) Outlays, -\$500,000,000.  
Fiscal year 2008:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2009:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2010:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
Fiscal year 2011:  
(A) New budget authority, \$0.  
(B) Outlays, \$0.  
(20) Undistributed Offsetting Receipts (950):  
Fiscal year 2006:  
(A) New budget authority, -\$57,140,000.  
(B) Outlays, -\$57,140,000.  
Fiscal year 2007:  
(A) New budget authority, -\$68,598,000,000.  
(B) Outlays, -\$69,440,000,000.  
Fiscal year 2008:  
(A) New budget authority, -\$68,737,000,000.  
(B) Outlays, -\$68,409,000,000.  
Fiscal year 2009:  
(A) New budget authority, -\$79,489,000,000.  
(B) Outlays, -\$79,208,000,000.  
Fiscal year 2010:  
(A) New budget authority, -\$66,787,000,000.  
(B) Outlays, -\$66,600,000,000.  
Fiscal year 2011:  
(A) New budget authority, -\$70,297,000,000.  
(B) Outlays, -\$70,260,000,000.

#### TITLE II—RECONCILIATION

##### SEC. 201. RECONCILIATION IN THE SENATE.

The Committee on Energy and Natural Resources shall report to the Senate a reconciliation bill not later than May 16, 2006, that consists of changes in laws within its jurisdiction sufficient to reduce budget au-

thority and outlays by \$0 for fiscal year 2007 and by \$3,000,000,000 for the period of fiscal years 2007 through 2011.

#### TITLE III—RESERVE FUNDS

##### SEC. 301. RESERVE FUND FOR THE UNINSURED.

If—

(1) the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) addresses health care costs, coverage, or care for the uninsured;

(B) provides—

(i) safety net access to integrated and other health care services; or

(ii) increases the number of people with health insurance, provided that such increase is not obtained primarily as a result of increasing premiums for the currently insured;

(C) increases access to coverage through mechanisms that decrease the growth of health care costs, including tax measures (such as tax credits and deductibility) market-based measures (such as regulatory reforms, consumer-directed initiatives) and other measures targeted to key segments of the uninsured, including individuals without employer-sponsored coverage, college students, recent graduates, or chronically ill individuals; and

(D) improves the transparency of the cost and quality for medical care; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

##### SEC. 302. RESERVE FUND FOR HEALTH INFORMATION TECHNOLOGY.

If—

(1) the Committee on Finance or the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or if an amendment is offered thereto or if a conference report is submitted thereon, that—

(A) provides incentives or other support for adoption of modern information technology to improve quality in health care; and

(B) provides for performance-based payments, which are based on accepted clinical performance measures that improve the quality in health care; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and the period of fiscal years 2007 through 2011.

##### SEC. 303. RESERVE FUND FOR THE ASBESTOS INJURY TRUST FUND.

If—

(1) the Committee on Judiciary reports legislation, or if an amendment is offered thereto or if a conference report is submitted thereon, that—

(A) provides monetary compensation to impaired victims of asbestos-related disease who can establish that asbestos exposure is a substantial contributing factor in causing their condition;

(B) does not provide monetary compensation to the unimpaired claimants or those suffering from a disease who cannot establish that asbestos exposure was a substantial contributing factor in causing their condition; and

(C) is estimated to remain funded from nontaxpayer sources for the life of the fund; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for the period of fiscal years 2007 through 2011.

##### SEC. 304. RESERVE FUND FOR THE SAFE IMPORTATION OF PRESCRIPTION DRUGS.

If—

(1) the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that permits the safe importation of prescription drugs approved by the Food and Drug Administration from specified countries with strong safety laws; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

##### SEC. 305. RESERVE FUND FOR SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT REAUTHORIZATION.

If—

(1) the Committee on Energy and Natural Resources of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that provides for reauthorization of the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393); and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

##### SEC. 306. RESERVE FUND FOR COMPREHENSIVE IMMIGRATION REFORM.

If—

(1) the Committee on the Judiciary of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that—

(A) provides for comprehensive immigration reform;

(B) provides for increased interior enforcement including legal employment verification; and

(C) provides for increased border security and enhanced information technology systems; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for the fiscal year 2007 and for the period of fiscal years 2007 through 2011.

##### SEC. 307. RESERVE FUND FOR INDIAN CLAIM SETTLEMENT.

If—

(1) the Select Committee on Indian Affairs of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that—

(A) creates an Indian accounting claims settlement fund for trust accounting deficiencies related to Individual Indian Moneys accounts;

(B) extinguishes all claims arising before the date of enactment for losses resulting from accounting errors, mismanagement, or interest owed in connection with Individual Indian Moneys accounts; and

(C) provides for new accounting practices for the Individual Indian Moneys accounts; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

**SEC. 308. RESERVE FUND FOR THE NATIONAL FLOOD INSURANCE PROGRAM.**

If—

(1) the Committee on Banking, Housing, and Urban Affairs reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that—

(A) establishes more actuarially sound rates on policies issued by the National Flood Insurance Program;

(B) phases out flood insurance subsidies on pre-FIRM structures not used as primary residences;

(C) denies flood insurance to repeatedly flooded properties not used as primary residences and make such other program reforms that would mitigate flood insurance losses in future natural disasters; and

(D) takes action to forgive the debt that the National Flood Insurance Program owes to the Treasury and provides an appropriation, not borrowing authority, to pay outstanding flood insurance claims; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates by the amount provided by that measure for the purpose of liquidating the National Flood Insurance Fund's remaining contractual obligations resulting from claims made as a result of floods that occurred in 2005, but not to exceed \$5,600,000,000 in new budget authority for fiscal year 2006 or 2007 for that purpose.

**SEC. 309. RESERVE FUND TO PROTECT AMERICA'S COMPETITIVE EDGE.**

(a) HEALTH, EDUCATION, LABOR, AND PENSIONS.—If—

(1) the Committee on Health, Education, Labor, and Pensions of the Senate reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) increases the number of students and graduates pursuing science, technology, engineering and math (STEM) or foreign language courses, degrees and occupations; or

(B) improves educational programs in these fields; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

(b) ENERGY AND NATURAL RESOURCES.—If—

(1) the Committee on Energy and Natural Resources of the Senate reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) increases investment in basic and applied research at the Department of Energy; or

(B) improves educational opportunities in math, science, or engineering; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

(c) COMMERCE, SCIENCE, AND TRANSPORTATION.—If—

(1) the Committee on Commerce, Science, and Transportation of the Senate reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) increases investment in basic and applied research at the National Aeronautics and Space Administration, the National Institute of Science and Technology, and the National Science Foundation; or

(B) improves quality, coordination, or support for such research; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for fiscal year 2007 and for the period of fiscal years 2007 through 2011.

**SEC. 310. RESERVE FUND FOR LAND AND WATER CONSERVATION FUND.**

(a) ENERGY AND NATURAL RESOURCES.—If—

(1) the Committee on Energy and Natural Resources reports a bill or joint resolution, or an amendment is offered thereto, or a conference report is submitted thereon, that—

(A) permits exploration and production of oil in the 1002 Area of the Arctic National Wildlife Refuge; and

(B)(i) such measure is enacted; and  
(ii) the reconciliation instruction set out in section 201 is met; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget of the Senate may make the adjustments described in subsection (b).

(b) ADJUSTMENT FOR THE LAND AND WATER CONSERVATION FUND PROGRAMS AND ADDITIONAL LAND CONSERVATION PROGRAMS.—If the Committee on Appropriations of the Senate reports a bill or joint resolution, or if an amendment is offered thereto or a conference report is submitted thereon that—

(1) provides funding for the programs described in this subsection at least at the previous year's levels, adjusted for inflation; and

(2) makes available a portion of the receipts resulting from enactment of the legislation described in subsection (a) for—

(A) the Land and Water Conservation Fund;

(B) the Federal Land Acquisition and Stateside Grant Programs;

(C) the Coastal and Estuarine Land Protection Program; and

(D) the Forest Legacy Program;

the chairman of the Committee on the Budget may revise committee allocations for that committee and other appropriate budgetary aggregates and allocations of new budget authority and outlays by the amount provided by that measure for that purpose, but the adjustment may not exceed \$350,000,000 in new budget authority in each of fiscal years 2009 through 2011.

**SEC. 311. RESERVE FUND FOR CHRONIC CARE CASE MANAGEMENT.**

If—

(1) the Committee on Finance of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that would provide \$1,750,000,000 to the Centers for Medicare and Medicaid Services (CMS) to create a demonstration project or program that assigns a case manager to coordinate the care of chronically ill and other high-cost Medicare beneficiaries in traditional fee-for-service Medicare; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for the period of fiscal years 2007 through 2011.

**SEC. 312. RESERVE FUND FOR RECEIPTS FROM BONNEVILLE POWER ADMINISTRATION.**

If—

(1) the Committee on Energy and Natural Resources of the Senate reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that prohibits the Bonneville Power Administration from making early payments on its Federal Bond Debt to the United States Treasury; and

(2) that committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974;

the chairman of the Committee on the Budget may make the appropriate adjustments in allocations and aggregates to the extent that such legislation would not increase the deficit for the fiscal year 2007 and for the period of fiscal years 2007 through 2011.

**TITLE IV—ENFORCEMENT**

**SEC. 401. RESTRICTIONS ON ADVANCE APPROPRIATIONS.**

(a) POINT OF ORDER.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would provide an advance appropriation.

(2) ADVANCE APPROPRIATION.—An advance appropriation may be provided for the fiscal years 2008 and 2009 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading "ACCOUNTS IDENTIFIED FOR ADVANCE APPROPRIATIONS" in an aggregate amount not to exceed \$23,158,000,000 in new budget authority in each year.

(3) OPERATION OF POINT OF ORDER.—It shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment, motion, or conference report violate paragraph (1). The Presiding Officer may sustain the point of order as to some or all of the provisions against which the Senator raised the point of order. If the Presiding Officer so sustains the point of order as to some of the provisions (including provisions of an amendment, motion, or conference report), then only those provisions (including provisions of an amendment, motion, or conference report) shall be deemed stricken pursuant to this subsection.

(4) WAIVER AND APPEAL.—Before the Presiding Officer rules on a point of order under paragraph (1), any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with the rules and precedents of the Senate. Paragraph (1) may be waived or suspended in the

Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. After the Presiding Officer rules on a point of order under paragraph (1), any Senator may appeal the ruling of the Presiding Officer as it applies to some or all of the provisions. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (1).

(5) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill or a joint resolution, upon—

(A) a point of order being made under subsection (a); and

(B) such a point of order being sustained, such material contained in such conference report or amendment shall be deemed stricken, and the Senate shall proceed to consider whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, and the matter stricken may not be offered as an amendment from the floor.

(6) ADVANCE APPROPRIATION.—In this subsection, the term “advance appropriation” means any new budget authority provided in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2007 that first becomes available for any fiscal year after 2007 or any new budget authority provided in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2008, that first becomes available for any fiscal year after 2008.

#### SEC. 402. EMERGENCY LEGISLATION.

(a) BUDGETARY TREATMENT OF EMERGENCY LEGISLATION.—

(1) AUTHORITY TO DESIGNATE.—With respect to a provision of direct spending or receipts legislation or appropriations for discretionary accounts that Congress designates as an emergency requirement in a measure, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be treated as an emergency requirement for the purposes of this subsection.

(2) EXEMPTION OF EMERGENCY PROVISIONS.—As limited in paragraph (3), any new budget authority, outlays, and receipts resulting from any provision designated as an emergency requirement, pursuant to this subsection, in any bill, joint resolution, amendment, or conference report shall not count for purposes of sections 302 and 311 of the Congressional Budget Act of 1974, section 403 of this resolution (relating to discretionary spending limits in the Senate), section 406 of this resolution (relating to limits on direct spending), section 407 of the concurrent resolution on the budget for Fiscal Year 2006, H. Con. Res. 95 (relating to the long term direct spending), and section 505 of the Concurrent Resolution on the Budget for Fiscal Year 2004, H. Con. Res. 95 (relating to the paygo requirement in the Senate), until the adoption of a subsequent budget resolution.

(3) LIMITATION.—For fiscal year 2007 the total exemption under paragraph (2) for emergencies shall not exceed \$90,000,000,000 in new budget authority and outlays associated with the budget authority for the global war on terrorism and other emergencies, of which—

(A) \$50,000,000,000 in new budget authority (and outlays associated with the budget authority) may be available for the global war on terrorism; and

(B) \$2,000,000,000 in new budget authority (and outlays associated with the budget authority) may be made available for United States border security initiatives; and

(C) \$2,300,000,000 in new budget authority (and outlays associated with the budget authority) may be available for pandemic influenza initiatives.

(4) POINT OF ORDER.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

(5) EXCEPTION FOR DEFENSE SPENDING.—Paragraph (4) shall not apply against an emergency designation for a provision making discretionary appropriations under the defense function (050), subject to the limitation set forth in paragraph (3).

(6) OPERATION OF POINT OF ORDER.—It shall be in order for a Senator to raise a single point of order against several emergency designations in a bill, resolution, amendment, motion, or conference report. The language making the designations shall be stricken from the measure and may not be offered as amendments from the floor.

(7) WAIVER AND APPEAL.—Before the emergency designation or designations are stricken pursuant to paragraph (4), any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with the rules and precedents of the Senate. Paragraph (4) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. After the Presiding Officer strikes the designation on such a point of order, any Senator may appeal the action of the Presiding Officer as it applies to some or all of the provisions. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (4).

(8) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill or a joint resolution, upon—

(A) a point of order being made in paragraph (4); and

(B) such a point of order being sustained, the emergency designation in such conference report or amendment shall be deemed stricken, and the Senate shall proceed to consider whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, and the matter stricken may not be offered as an amendment from the floor.

(b) DEFINITIONS AND CRITERIA.—

(1) DEFINITIONS.—

(A) IN GENERAL.—In this subsection, the terms “direct spending”, “receipts”, and “appropriations for discretionary accounts” means any provision of a bill, joint resolution, amendment, motion, or conference report that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(B) DESIGNATION.—Subject to the limitation in subsection (a)(3), for purposes of paragraph (4), a provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to this subsection.

(2) DESIGNATIONS.—If a provision of legislation is designated as an emergency requirement under this subsection, the committee report and any statement of managers accompanying that legislation shall include an

explanation of the manner in which the provision meets the criteria in paragraph (3).

(3) CRITERIA.—

(A) IN GENERAL.—Subject to the limitation in subsection (a)(3), any provision may be designated as an emergency requirement if the situation addressed by such provision is—

(i) necessary, essential, or vital (not merely useful and beneficial);

(ii) sudden, quickly coming into being, and not building up over time;

(iii) an urgent, pressing, and compelling need requiring immediate action;

(iv) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and

(v) not permanent, temporary in nature.

(B) UNFORESEEN.—An emergency that is part of aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

#### SEC. 403. DISCRETIONARY SPENDING LIMITS.

(a) DISCRETIONARY SPENDING LIMITS.—As used in this section, the term “discretionary spending limit” means—

(1) for fiscal year 2006, \$900,927,000,000 in new budget authority and \$1,002,145,000,000 in outlays for the discretionary category;

(2) for fiscal year 2007, \$872,504,000,000 in new budget authority and \$963,048,000,000 in outlays for the discretionary category;

(3) for fiscal year 2008, \$895,784,000,000 in new budget authority for the discretionary category; and

(4) for fiscal year 2009, \$919,178,000,000 in new budget authority for the discretionary category; as adjusted in conformance with the adjustment procedures in subsection (d).

(b) DISCRETIONARY SPENDING POINT OF ORDER.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, it shall not be in order to consider any bill or joint resolution (or amendment, motion, or conference report on that bill or joint resolution) that would cause the discretionary spending limits in this section to be exceeded.

(2) WAIVER AND APPEAL.—Before the Presiding Officer rules on a point of order under this subsection, any Senator may move to waive such a point of order. Such a motion to waive is amendable in accordance with the rules and precedents of the Senate. The point of order may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. After the Presiding Officer rules on such a point of order, any Senator may appeal the ruling of the Presiding Officer. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on the point of order.

(c) PROCEDURE FOR ADJUSTMENTS.—

(1) IN GENERAL.—

(A) CHAIRMAN.—After the reporting of a bill or joint resolution, or the offering of an amendment thereto or the submission of a conference report thereon, the chairman of the Committee on the Budget may make the adjustments set forth in subparagraph (B) for the amount of new budget authority and outlays in that measure (if that measure meets the requirements set forth in paragraph (2)) and the outlays flowing from that budget authority.

(B) MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—

(i) the discretionary spending limits, if any, set forth in the appropriate concurrent resolution on the budget; and

(ii) the allocations made pursuant to the concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974.

(2) AMOUNTS OF ADJUSTMENTS.—The adjustment referred to in paragraph (1) shall be an

amount provided for fiscal year 2007 if a bill or joint resolution is reported making appropriations for fiscal year 2007 that appropriates \$6,824,000,000 to the Internal Revenue Service for enhanced tax enforcement to address the "Federal tax gap" and provides an additional appropriation of \$274,000,000 to the Internal Revenue Service for enhanced tax enforcement to address the "Federal tax gap" then the chairman of the Committee on the Budget of the Senate may make the adjustments in paragraph (c)(1)(B).

(3) **REPORTING REVISED SUBALLOCATIONS.**—Following any adjustment made under paragraph (1), the Committee on Appropriations of the Senate shall report appropriately revised suballocations under section 302(b) of the Congressional Budget Act of 1974 to carry out this subsection.

**SEC. 404. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.**

(a) **APPLICATION.**—Any adjustments of allocations and aggregates made for any measure of legislation pursuant to this resolution shall—

(1) apply while that measure is under consideration;

(2) take effect upon the enactment of that measure; and

(3) be printed in the Congressional Record as soon as practicable.

(b) **EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.**—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) **BUDGET COMMITTEE DETERMINATIONS.**—For purposes of this resolution, the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the chairman of the Committee on the Budget.

**SEC. 405. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.**

Upon the enactment of a bill or joint resolution providing for a change in concepts or definitions, the chairman of the Committee on the Budget may make adjustments to the levels and allocations in this resolution in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002).

**SEC. 406. DIRECT SPENDING LIMITATION.**

(a) **MEDICARE FUNDING WARNING.**—The chairman of the Committee on the Budget may submit to the Senate a notification of a Medicare funding warning. Such warning is defined as a projection that within 7 years General Fund contributions to Medicare funding expressed as a percentage of total Medicare outlays, exceed 45 percent.

(b) **POINT OF ORDER.**—It shall not be in order to consider any bill, joint resolution, amendment or conference report that would cause any increase in direct spending, net of proposals to change in direct spending, receipts, or revenues contained in the measure, if a Medicare Funding warning has been submitted to the Senate pursuant to subsection (a) for 2 consecutive calendar years.

(c) **WAIVER.**—This section may be waived or suspended only by an affirmative vote of three-fifths of the members, duly chosen and sworn.

(d) **APPEALS.**—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) **DETERMINATIONS.**—For the purposes of this section, the determination of whether

Medicare funding warrants a funding warning and when it may be appropriate to withdraw such warning, as well as the levels of net direct spending as required under subsection (b), shall be provided by the chairman of the Committee on the Budget.

(f) **CANCELLATION.**—Should legislation be enacted to reduce the general fund contribution below 45 percent as determined by the chairman of the Committee on the Budget, the notification of a Medicare funding warning is withdrawn.

**SEC. 407. EXERCISE OF RULEMAKING POWERS.**

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate, respectively, and as such they shall be considered as part of the rules of each House, or of the Senate and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change those rules (so far as they relate to that house) at any time, in the same manner, and to the same extent as is the case of any other rule of the Senate.

SUBMITTED RESOLUTIONS

**SENATE RESOLUTION 398—RELATING TO THE CENSURE OF GEORGE W. BUSH**

Mr. FEINGOLD submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 398

Whereas Congress passed the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), and in so doing provided the executive branch with clear authority to wiretap suspected terrorists inside the United States;

Whereas the Foreign Intelligence Surveillance Act of 1978 has been amended multiple times since 1978, to expand the surveillance authority of the executive branch and address new technological developments;

Whereas the Foreign Intelligence Surveillance Act of 1978 states that it and the criminal wiretap law are the "exclusive means by which electronic surveillance" may be conducted by the United States Government and makes it a crime to wiretap individuals without complying with this statutory authority;

Whereas the Foreign Intelligence Surveillance Act of 1978 permits the Government to initiate wiretapping immediately in emergencies as long as the Government obtains approval from the court established under section 103 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803) within 72 hours of initiating the wiretap;

Whereas the Foreign Intelligence Surveillance Act of 1978 authorizes wiretaps without the court orders otherwise required by the Foreign Intelligence Surveillance Act of 1978 for the first 15 days following a declaration of war by Congress;

Whereas the Authorization for Use of Military Force that became law on September 18, 2001 (Public Law 107-40; 50 U.S.C. 1541 note), did not grant the President the power to authorize wiretaps of Americans within the United States without obtaining the court orders required by the Foreign Intelligence Surveillance Act of 1978;

Whereas the President's inherent constitutional authority does not give him the power to violate the explicit statutory prohibition on warrantless wiretaps in the Foreign Intelligence Surveillance Act of 1978;

Whereas George W. Bush, President of the United States, has authorized and continues to authorize wiretaps by the National Security Agency of Americans within the United States without obtaining the court orders required by the Foreign Intelligence Surveillance Act of 1978;

Whereas President George W. Bush has failed to inform the full congressional intelligence committees about this program, as required by the National Security Act of 1947 (50 U.S.C. 401 et seq.);

Whereas President George W. Bush repeatedly misled the public prior to the public disclosure of the National Security Agency surveillance program by indicating his Administration was relying on court orders to wiretap suspected terrorists inside the United States, by stating—

(1) on April 20, 2004, that "When we're talking about chasing down terrorists, we're talking about getting a court order before we do so.";

(2) on July 14, 2004, that "the government can't move on wiretaps or roving wiretaps without getting a court order"; and

(3) on June 9, 2005, that "Law enforcement officers need a federal judge's permission to wiretap a foreign terrorist's phone, a federal judge's permission to track his calls, or a federal judge's permission to search his property. Officers must meet strict standards to use any of these tools.";

Whereas President George W. Bush has, since the public disclosure of the National Security Agency surveillance program, falsely implied that the program was necessary because the executive branch did not have authority to wiretap suspected terrorists inside the United States, by making statements about the supposed need for the program, including—

(1) on January 25, 2006, stating at the National Security Agency that "When terrorist operatives are here in America communicating with someone overseas, we must understand what's going on if we're going to do our job to protect the people. The safety and security of the American people depend on our ability to find out who the terrorists are talking to, and what they're planning. In the weeks following September the 11th, I authorized a terrorist surveillance program to detect and intercept al Qaeda communications involving someone here in the United States."; and

(2) on January 31, 2006, asserting during the State of the Union that "The terrorist surveillance program has helped prevent terrorist attacks. It remains essential to the security of America. If there are people inside our country who are talking with al Qaeda, we want to know about it, because we will not sit back and wait to be hit again."; and

Whereas President George W. Bush inaccurately stated in his January 31, 2006, State of the Union address that "Previous Presidents have used the same constitutional authority I have, and federal courts have approved the use of that authority.", even though the President has failed to identify a single instance since the Foreign Intelligence Surveillance Act of 1978 became law in which another President has authorized wiretaps inside the United States without complying with the Foreign Intelligence Surveillance Act of 1978: Now, therefore, be it

*Resolved*, That the United States Senate does hereby censure George W. Bush, President of the United States, and does condemn his unlawful authorization of wiretaps of Americans within the United States without obtaining the court orders required by the

Foreign Intelligence Surveillance Act of 1978, his failure to inform the full congressional intelligence committees as required by law, and his efforts to mislead the American people about the authorities relied upon by his Administration to conduct wiretaps and about the legality of the program.

**SENATE RESOLUTION 399—DESIGNATING MARCH 25, 2006, AS “GREEK INDEPENDENCE DAY: A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY”**

Mr. SPECTER (for himself, Mr. SARBANES, Mr. ALLEN, Mr. BENNETT, Mr. BIDEN, Mrs. BOXER, Mr. CARPER, Mr. CHAFFEE, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COCHRAN, Mr. CRAIG, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. INHOFE, Mr. INOUE, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEVIN, Mr. LIEBERMAN, Mr. LOTT, Mr. MENENDEZ, Ms. MIKULSKI, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. OBAMA, Mr. REED, Mr. REID, Mr. ROCKEFELLER, Mr. SALAZAR, Mr. SANTORUM, Mr. SCHUMER, Mr. SMITH, Ms. SNOWE, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. THOMAS, Mr. VOINOVICH, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 399

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily on the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas Greek Commander in Chief Petros Mavromichalis, a founder of the modern Greek state, said to the citizens of the United States in 1821 that “it is in your land that liberty has fixed her abode and . . . in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you”;

Whereas Greece played a major role in the World War II struggle to protect freedom and democracy through such bravery as was shown in the historic Battle of Crete, which provided the Axis land war with its first major setback, setting off a chain of events that significantly affected the outcome of World War II;

Whereas the price for Greece in holding our common values in their region was high, as hundreds of thousands of civilians were killed in Greece during World War II;

Whereas, throughout the 20th century, Greece was 1 of only 3 countries in the world, beyond the former British Empire, that allied with the United States in every major international conflict;

Whereas President George W. Bush, in recognizing Greek Independence Day, said, “Greece and America have been firm allies in the great struggles for liberty. Americans will always remember Greek heroism and Greek sacrifice for the sake of freedom . . . [and] as the 21st Century dawns, Greece and America once again stand united; this time in the fight against terrorism. The United States deeply appreciates the role Greece is playing in the war against terror. . . . America and Greece are strong allies, and we’re strategic partners.”;

Whereas President Bush stated that Greece’s successful “law enforcement operations against a terrorist organization [November 17] responsible for three decades of terrorist attacks underscore the important contributions Greece is making to the global war on terrorism”;

Whereas Greece is a strategic partner and ally of the United States in bringing political stability and economic development to the volatile Balkan region, having invested over \$10,000,000,000 in the region;

Whereas Greece was extraordinarily responsive to requests by the United States during the war in Iraq, as Greece immediately granted unlimited access to its airspace and the base in Souda Bay, and many ships of the United States that delivered troops, cargo, and supplies to Iraq were refueled in Greece;

Whereas, in August 2004, the Olympic games came home to Athens, Greece, the land of their ancient birthplace 2,500 years ago and the city of their modern revival in 1896;

Whereas Greece received world-wide praise for its extraordinary handling during the 2004 Olympics of over 14,000 athletes from 202 countries and over 2,000,000 spectators and journalists, which it did so efficiently, securely, and with its famous Greek hospitality;

Whereas the unprecedented security effort in Greece for the first Olympics after the attacks on the United States on September 11, 2001, included a record-setting expenditure of over \$1,390,000,000 and assignment of over 70,000 security personnel, as well as the utilization of an 8-country Olympic Security Advisory Group that included the United States;

Whereas Greece, located in a region where Christianity meets Islam and Judaism, maintains excellent relations with Muslim nations and Israel;

Whereas the Government of Greece has had extraordinary success in recent years in furthering cross-cultural understanding and reducing tensions between Greece and Turkey;

Whereas Greece and the United States are at the forefront of the effort for freedom, democracy, peace, stability, and human rights;

Whereas those and other ideals have forged a close bond between these 2 nations and their peoples;

Whereas March 25, 2006, marks the 185th anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate this anniversary with the Greek people and to reaffirm the democratic principles from which these 2 great nations were born: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates March 25, 2006, as “Greek Independence Day: A National Day of Celebration of Greek and American Democracy”;

(2) encourages the people of the United States to observe the day with appropriate ceremonies and activities.

**SENATE RESOLUTION 400—EXPRESSING THE SENSE OF THE SENATE ON THE CONSTITUTIONAL REFORM PROCESS IN BOSNIA AND HERZEGOVINA**

Mr. BIDEN (for himself, Mr. SMITH, Mr. LUGAR, and Mr. DURBIN) submitted the following resolution, which was considered and agreed to:

S. RES. 400

Whereas the General Framework Agreement for Peace in Bosnia and Herzegovina

(commonly referred to as the “Dayton Peace Accords”) was agreed to at Wright Patterson Air Force Base in Dayton, Ohio, on November 21, 1995;

Whereas the signing of the Dayton Peace Accords was a historic accomplishment that was made possible through the strong leadership of the United States;

Whereas the signing of the Dayton Peace Accords ended a brutal 3½-year conflict marked by aggression and genocide in which many tens of thousands lost their lives;

Whereas the Dayton Peace Accords created a framework for a common state in Bosnia and Herzegovina, but was crafted amidst the exigencies of war and included many compromises imposed by the need for quick action to preserve human life;

Whereas in the 10 years since the signing of the Dayton Peace Accords, there has been considerable progress in building a peaceful society in Bosnia and Herzegovina;

Whereas this progress in building a peaceful society has been facilitated by both the citizens of the country and the international community;

Whereas, during the 9 years that the peacekeepers of the North Atlantic Treaty Organization worked to keep order in Bosnia and Herzegovina, their forces suffered no intentional casualties and never fired a single shot in combat;

Whereas Bosnia and Herzegovina has demonstrated a willingness to contribute to the work of the international community and sent 36 troops to assist in efforts to stabilize the country of Iraq;

Whereas the full incorporation of Bosnia and Herzegovina into the Euro-Atlantic community is in the national interest of the United States;

Whereas, past accomplishments notwithstanding, the citizens of Bosnia and Herzegovina continue to face significant challenges on their road toward further Euro-Atlantic integration;

Whereas the Council of Europe’s Venice Commission has concluded that the current constitutional arrangements of Bosnia and Herzegovina are neither efficient nor rational, and that the state-level institutions need to become more effective and democratic if Bosnia and Herzegovina is to move toward membership in the European Union;

Whereas Secretary of State Condoleezza Rice has said that the people of Bosnia and Herzegovina need “a stronger, energetic state capable of advancing the public good” and pledged that the United States will remain a dedicated partner to Bosnia and Herzegovina as it moves toward further Euro-Atlantic integration;

Whereas leaders of Bosnia and Herzegovina have already agreed to significant reforms of the budget process, intelligence services, criminal prosecution offices, justice ministry, border and customs services, and defense sector;

Whereas, on November 22, 2005, political leaders of Bosnia and Herzegovina met in Washington and signed a Commitment to Pursue Constitutional Reform in which members pledged to continue working toward the creation of stronger and more efficient democratic institutions; and

Whereas it is imperative that changes to the constitution of Bosnia and Herzegovina be agreed to by April 2006 to take effect prior to national elections in October 2006: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) it is time for Bosnia and Herzegovina to work toward the creation of a state with more functional, self-sustaining institutions;

(2) any agreement on constitutional reform in Bosnia and Herzegovina should advance the principles of democracy and tolerance;

(3) the constitutional reforms of Bosnia and Herzegovina should be consistent with, and bring the country closer to, the goal of membership in the European Union;

(4) the United States supports the development of Bosnia and Herzegovina as a unified, fully democratic, and stable state on the path toward Euro-Atlantic integration;

(5) all parties to negotiations on the reforms of the Constitution of Bosnia and Herzegovina should work together and seek compromises so that a first set of revisions to the Constitution can take effect before national elections in October 2006;

(6) all groups responsible for past violence and atrocities in Bosnia and Herzegovina must accept responsibility for their actions and promote reconciliation among the different ethnic groups of Bosnia and Herzegovina; and

(7) all levels of government in Bosnia and Herzegovina must comply with the directives of the International Criminal Tribunal for the Former Yugoslavia (ICTY), arrest persons indicted for war crimes, and turn over fugitives to face justice at the International Criminal Tribunal.

**SENATE RESOLUTION 401—URGING THE REPUBLIC OF BELARUS TO CONDUCT PLANNED PRESIDENTIAL ELECTIONS MARCH 19, 2006, IN A FREE, FAIR, AND TRANSPARENT MANNER AND WITH RESPECT FOR HUMAN RIGHTS**

Mr. MCCAIN (for himself, Mr. LIEBERMAN, Mr. LUGAR, Mr. BIDEN, Mr. BROWNBACK, Mr. MCCONNELL, and Mr. SUNUNU) submitted the following resolution; which was considered and agreed to:

**S. RES. 401**

Whereas the Government of Belarus has accepted numerous specific commitments governing the conduct of elections as a participating State of the Organization for Security and Co-operation in Europe (OSCE), including provisions of the 1990 Copenhagen Document;

Whereas the Belarus parliamentary elections of 2000 failed to meet international standards;

Whereas the Belarus presidential elections of 2001 failed to meet international standards;

Whereas the local elections in Belarus in 2003 failed to meet international standards;

Whereas the Belarus parliamentary elections of 2004 failed to meet international standards;

Whereas the 2004 vote on the constitutional referendum in Belarus failed to meet international standards;

Whereas Belarus is scheduled to conduct presidential elections on March 19, 2006;

Whereas President of Belarus Alexander Lukashenko has placed tight controls on the press, jailed opposition party members, violently disrupted protests, conducted surveillance of opposition candidates, and been implicated in the disappearance of at least 3 opposition members and a journalist;

Whereas, on March 2, 2006, opposition candidate Alexander Kazulin and 20 of his supporters were beaten and detained.

Whereas the campaign of Alexander Milinkevich, the main opposition candidate, has been subject to repeated government harassment and bureaucratic obstacles to open campaigning; and

Whereas the intimidation and arrest of opposition parties and candidates, including the reported March 8, 2006, arrest of Vincuk

Viachorka and 5 other members of Alexander Milinkevich's campaign team, represents a deliberate assault on the democratic process and sends a clear signal that government officials in Belarus are not committed to holding free and fair elections; Now, therefore, be it:

*Resolved*, That the Senate—

(1) supports the people of Belarus as they face the dictatorship of President Lukashenko;

(2) notes that the integration of Belarus into the Western community of nations will suffer delay so long as President Lukashenko prevents the development of a democratic political system;

(3) urges the Government of Belarus to ensure a free, fair, and fully transparent 2006 presidential election, in accordance with Organization for Security and Co-operation in Europe (OSCE) standards, including unobstructed access to all aspects of the election process by the OSCE Office of Democratic Institutions and Human Rights (ODIHR), opposition parties, and nongovernmental organizations;

(4) encourages the international community, including the Council of Europe and the OSCE, to continue supporting democracy in Belarus, and thanks the governments and people of neighboring countries such as Poland, Lithuania, and Latvia for continuing to promote democracy and human rights in Belarus; and

(5) expresses its belief that tyranny in Belarus will not forever endure and that the people of Belarus will one day enjoy the benefits of democracy and human rights at home.

**AMENDMENTS SUBMITTED AND PROPOSED**

SA 2998. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table.

SA 2999. Mr. BURNS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3000. Mr. HAGEL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3001. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3002. Mr. GREGG proposed an amendment to the concurrent resolution S. Con. Res. 83, supra.

SA 3003. Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3004. Ms. SNOWE (for herself, Mr. WYDEN, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3005. Mr. BURNS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3006. Ms. SNOWE submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3007. Mr. AKAKA (for himself, Mrs. MURRAY, Mr. DORGAN, Mr. NELSON of Florida, Mr. KERRY, Mr. SCHUMER, Mr. SALAZAR, Mrs.

LINCOLN, Mr. LAUTENBERG, Mr. OBAMA, Mr. DODD, Ms. MIKULSKI, and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3008. Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3009. Mr. NELSON, of Nebraska submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3010. Mr. KYL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3011. Mr. TALENT (for himself, Mr. LIEBERMAN, and Mr. THUNE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

SA 3012. Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, supra; which was ordered to lie on the table.

**TEXT OF AMENDMENTS**

SA 2998. Mr. BROWNBACK submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ SENSE OF THE SENATE REGARDING A COMMISSION TO REVIEW THE PERFORMANCE OF PROGRAMS.**

It is the sense of the Senate that a commission should be established to review Federal agencies, and programs within such agencies, including an assessment of programs on an accrual basis, with the express purpose of providing the Congress with recommendations on legislation to realign or eliminate Federal agencies and programs that are wasteful, duplicative, inefficient, outdated, irrelevant, or have failed to accomplish their intended purpose.

SA 2999. Mr. BURNS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

- On page 23, line 24, increase the amount by \$823,000,000
- On page 23, line 25, increase the amount by \$733,000,000.
- On page 24, line 3, increase the amount by \$854,000,000.
- On page 24, line 4, increase the amount by \$845,000,000.
- On page 24, line 7, increase the amount by \$888,000,000.
- On page 24, line 8, increase the amount by \$880,000,000.
- On page 24, line 11, increase the amount by \$923,000,000.
- On page 24, line 12, increase the amount by \$914,000,000.

On page 24, line 15, increase the amount by \$958,000,000.

On page 24, line 16, increase the amount by \$949,000,000.

On page 27, line 23, decrease the amount by \$823,000,000.

On page 27, line 24, decrease the amount by \$733,000,000.

On page 28, line 1, decrease the amount by \$854,000,000.

On page 28, line 2, decrease the amount by \$845,000,000.

On page 28, line 4, decrease the amount by \$888,000,000.

On page 28, line 5, decrease the amount by \$880,000,000.

On page 28, line 7, decrease the amount by \$923,000,000.

On page 28, line 8, decrease the amount by \$914,000,000.

On page 28, line 10, decrease the amount by \$958,000,000.

On page 28, line 11, decrease the amount by \$949,000,000.

**SA 3000.** Mr. HAGEL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the end add the following:

**TITLE V—SENSE OF THE SENATE**

**SEC. 501. SENSE OF THE SENATE SUPPORTING ESTABLISHMENT OF A COMPREHENSIVE ENTITLEMENT REFORM COMMISSION.**

(a) SENSE OF THE SENATE.—It is the sense of the Senate that there should be established a Comprehensive Entitlement Reform Commission in accordance with subsections (b) through (e).

(b) PURPOSE.—The Commission should review Social Security, Medicare, and Medicaid and make comprehensive recommendations to sustain the solvency and stability of these three programs for future generations.

(c) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission should conduct a comprehensive review of Social Security, Medicare, and Medicaid consistent with the purpose specified in subsection (b) and should submit the report required under paragraph (2).

(2) REPORT.—

(A) REPORT.—Not later than 1 year after the selection of the 2 Co-Chairpersons and the Executive Director of the Commission, the Commission should prepare and submit a final report that contains a detailed statement of the recommendations, findings, and conclusions of the Commission to the appropriate Committees of Congress and the President.

(B) PUBLIC AVAILABILITY.—The report submitted under this paragraph should be made available to the public.

(d) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission should be composed of 8 members, to be appointed as follows:

(A) The majority leader of the Senate should appoint 2 members.

(B) The minority leader of the Senate should appoint 2 members.

(C) The Speaker of the House of Representatives should appoint 2 members.

(D) The minority leader of the House of Representatives should appoint 2 members.

(2) PERIOD OF APPOINTMENT.—Each member should be appointed for the life of the Commission. Any vacancies should not affect the

power and duties of the Commission but should be filled in the same manner as the original appointment.

(3) DATE.—Members of the Commission should be appointed by not later than 30 days after the date of enactment of this Act.

(4) INITIAL ORGANIZATION PERIOD.—Not later than 60 days after the date of enactment of this Act, the Commission should develop and implement a schedule for completion of the review and report required under subsection (c).

(5) CO-CHAIRPERSONS.—The Commission should select 2 Co-Chairpersons from among its members.

(6) TERMINATION.—The Commission should terminate on the date that is 30 days after the date on which the Commission submits the report required under subsection (c)(2).

(e) ADMINISTRATION.—

(1) QUORUM.—Five members of the Commission should constitute a quorum for purposes of voting, but a quorum is not required for members to meet and hold hearings.

(2) MEETINGS.—

(A) IN GENERAL.—The Commission should meet at the call of the Co-Chairpersons or a majority of its members.

(B) OPEN MEETINGS.—Each meeting of the Commission, other than meetings in which classified information is to be discussed, should be open to the public.

(3) HEARINGS.—The Commission may hold such hearings and undertake such other activities as the Commission determines to be necessary to carry out its duties.

(4) TRAVEL EXPENSES.—Members should receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code, while away from their homes or regular places of business in performance of services for the Commission.

(5) STAFF.—

(A) EXECUTIVE DIRECTOR.—The Commission should have a staff headed by an Executive Director. The Executive Director should be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code.

(B) STAFF APPOINTMENT.—With the approval of the Commission, the Executive Director may appoint such personnel as the Executive Director determines to be appropriate.

(C) ACTUARIAL EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(D) DETAIL OF GOVERNMENT EMPLOYEES.—Upon the request of the Commission, the head of any Federal agency may detail, without reimbursement, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission. Any such detail should not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(E) OTHER RESOURCES.—The Commission should have reasonable access to materials, resources, statistical data, and other information such Commission determines to be necessary to carry out its duties from the Library of Congress, the Chief Actuary of Social Security, the Congressional Budget Office, and other agencies and elected representatives of the executive and legislative branches of the Federal Government. The Co-Chairpersons of the Commission should make requests for such access in writing when necessary.

**SA 3001.** Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the concurrent res-

olution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

On page 3, line 13, increase the amount by \$975,000,000.

On page 3, line 15, increase the amount by \$1,037,000,000.

On page 3, line 17, increase the amount by \$792,000,000.

On page 3, line 19, increase the amount by \$826,000,000.

On page 3, line 21, increase the amount by \$861,000,000.

On page 4, line 1, increase the amount by \$975,000,000.

On page 4, line 2, increase the amount by \$1,037,000,000.

On page 4, line 3, increase the amount by \$792,000,000.

On page 4, line 4, increase the amount by \$826,000,000.

On page 4, line 6, increase the amount by \$861,000,000.

On page 4, line 13, increase the amount by \$975,000,000.

On page 4, line 15, increase the amount by \$1,037,000,000.

On page 4, line 17, increase the amount by \$792,000,000.

On page 4, line 19, increase the amount by \$826,000,000.

On page 4, line 21, increase the amount by \$861,000,000.

On page 5, line 4, increase the amount by \$975,000,000.

On page 5, line 6, increase the amount by \$1,037,000,000.

On page 5, line 8, increase the amount by \$792,000,000.

On page 5, line 10, increase the amount by \$826,000,000.

On page 5, line 12, increase the amount by \$861,000,000.

On page 9, line 20, increase the amount by \$975,000,000.

On page 9, line 21, increase the amount by \$975,000,000.

On page 9, line 24, increase the amount by \$1,037,000,000.

On page 9, line 25, increase the amount by \$1,037,000,000.

On page 10, line 3, increase the amount by \$792,000,000.

On page 10, line 4, increase the amount by \$792,000,000.

On page 10, line 7, increase the amount by \$826,000,000.

On page 10, line 8, increase the amount by \$826,000,000.

On page 10, line 11, increase the amount by \$861,000,000.

On page 10, line 12, increase the amount by \$861,000,000.

**SA 3002.** Mr. GREGG proposed an amendment to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; as follows:

On page 3, line 11, strike "\$1,694,445,000,000" and insert "\$1,694,455,000,000".

On page 3, line 23, strike "reduced" and insert "changed".

On page 21, line 3, strike "\$441,150,000,000" and insert "\$411,150,000,000".

On page 28, line 15, after "000" insert ",000".

On page 28, line 16, after "000" insert ",000".

On page 29, line 18, strike “by \$0 for fiscal year 2007 and”.

On page 42, strike beginning with line 11 and all that follows through page 43, line 4, and insert the following:

**SEC. 311. DEFICIT-NEUTRAL RESERVE FUND FOR CHRONIC CARE CASE MANAGEMENT.**

If the Senate Committee on Finance reports a bill or joint resolution, or an amendment is offered thereto or a conference report is submitted thereon, that would provide \$1,750,000,000 to the Centers for Medicare and Medicaid Services (CMS) to create a demonstration project or program that assigns a case manager to coordinate the care of chronically-ill and other high-cost Medicare beneficiaries in traditional fee-for-service Medicare, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels and limits in this resolution by the amount provided in such measure for that purpose, provided that such legislation would not increase the deficit for the period of fiscal years 2007 through 2011.

**SA 3003.** Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**TITLE \_\_\_\_\_ —ELIMINATING CHILD POVERTY**

**SEC. \_\_\_\_\_ 1. SHORT TITLE.**

This title may be cited as the “End Child Poverty Act”.

**SEC. \_\_\_\_\_ 2. FINDINGS.**

Congress makes the following findings:

(1) More than 13,000,000 children in the United States who are younger than 18 live below the poverty line.

(2) Most parents of poor children are playing by the rules by working to support their families. Despite their efforts, many of these parents still cannot help their children get ahead. Seven out of 10 poor children live in a working family and 1 poor child in 3 lives with a full-time year-around worker.

(3) Poor children are at least twice as likely as non-poor children to suffer stunted growth or lead poisoning, or to be kept back in school. Poor children score significantly lower on reading, mathematics, and vocabulary tests when compared with otherwise similar non-poor children. In more than half of poor households with children in the United States, the members of the households experience serious deprivations during the year, including lack of adequate food, utility shutoffs, crowded or substandard housing, or lack of needed medical care.

(4) Over 8,000,000 children under age 18 in the United States lack health insurance. With a 2004 uninsured rate of 18.9 percent, poor children are more likely to be uninsured than children generally.

(5)(A) The members of 1 in 6 households with children in the United States are hungry or on the verge of hunger, largely due to inadequate household income.

(B) Hungry children—

(i) tend to lack nutrients vital to healthy brain development;

(ii) tend to have difficulty focusing their attention and concentrating in school; and

(iii) often have greater emotional and behavioral problems, have weaker immune systems, and are more susceptible to infections, including anemia, than other children.

(6) Child poverty has risen significantly, by 1,440,000 since 2000.

(7) The poverty rate for children in the United States is substantially higher than that in most other wealthy industrialized nations.

(8) Children in the United States are more likely to live in poverty than any other age group in the United States.

(9) African-American and Latino children are much more likely to live in poverty than White children. One third of African-American children are low-income, as are nearly a third of Latino children.

(10) Great Britain made a public commitment to cut child poverty in half in 10 years, and end child poverty by 2020, and it has already successfully lifted 2,000,000 children out of poverty.

(11) Poverty is a moral issue and Congress has a moral obligation to address it.

**SEC. \_\_\_\_\_ 3. PURPOSES.**

The purposes of this title are—

(1) to set a national goal of cutting child poverty in half within a decade, and eliminating child poverty entirely as soon as possible; and

(2) to establish a Child Poverty Elimination Trust Fund as an initial measure to fund Federal programs to achieve that goal.

**SEC. \_\_\_\_\_ 4. DEVELOPMENT OF PLAN BY CHILD POVERTY ELIMINATION BOARD.**

(a) IN GENERAL.—There is established a board to be known as the Child Poverty Elimination Board (referred to in this title as the “Board”).

(b) COMPOSITION.—

(1) APPOINTMENTS.—The Board shall be composed of 12 voting members, to be appointed not later than 60 days after the date of enactment of this Act, as follows:

(A) SENATORS.—One Senator shall be appointed by the majority leader of the Senate, and one Senator shall be appointed by the minority leader of the Senate.

(B) MEMBERS OF THE HOUSE OF REPRESENTATIVES.—One Member of the House of Representatives shall be appointed by the Speaker of the House of Representatives, and one Member of the House of Representatives shall be appointed by the minority leader of the House of Representatives.

(C) ADDITIONAL MEMBERS.—

(i) APPOINTMENT.—Two members each shall be appointed by—

(I) the Speaker of the House of Representatives;

(II) the majority leader of the Senate;

(III) the minority leader of the House of Representatives; and

(IV) the minority leader of the Senate.

(ii) EXPERTISE.—Members appointed under this subparagraph shall be appointed on the basis of demonstrated expertise in child poverty issues.

(2) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Board. Any vacancy on the Board shall be filled in the manner in which the original appointment was made. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(3) CHAIRPERSON AND VICE CHAIRMAN.—The Board shall elect a chairperson and a vice chairperson from among the members of the Board.

(4) MEETINGS.—The Board shall first meet not later than 30 days after the date on which all members are appointed, and the Board shall meet thereafter at the call of the chairperson or vice chairperson or a majority of the members.

(c) PLAN AND REPORT.—

(1) PLAN.—The Board shall meet regularly to develop a plan for cutting child poverty in half within a decade, and eliminating child poverty entirely as soon as possible. The

plan shall include recommendations for allocations of funds from the Child Poverty Elimination Trust Fund established in section 9511 of the Internal Revenue Code of 1986, to carry out the plan.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Board shall prepare and submit a report containing the plan to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate, and the President.

(d) POWERS.—

(1) HEARINGS AND SESSIONS.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers appropriate. The Board may administer oaths or affirmations to witnesses appearing before it.

(2) ACCESS TO INFORMATION.—The Board may secure directly from any Federal agency information necessary to enable the Board to carry out this title, if the information may be disclosed under section 552 of title 5, United States Code. Subject to the previous sentence, on the request of the chairperson or vice chairperson of the Board, the head of such agency shall furnish such information to the Board.

(3) USE OF FACILITIES AND SERVICES.—Upon the request of the Board, the head of any Federal agency may make available to the Board any of the facilities and services of such agency.

(4) PERSONNEL FROM OTHER AGENCIES.—On the request of the Board, the head of any Federal agency may detail any of the personnel of such agency to serve as an Executive Director of the Board or assist the Board in carrying out the duties of the Board. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) VOLUNTARY SERVICE.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Board may accept for the Board voluntary services provided by a member of the Board.

(e) COMPENSATION.—

(1) PAY.—Members of the Board shall serve without compensation.

(2) TRAVEL EXPENSES.—Members of the Board shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Board.

**SEC. \_\_\_\_\_ 5. ISSUANCE AND IMPLEMENTATION OF PLAN.**

(a) ISSUANCE.—Not later than 90 days after receiving the report containing the plan developed by the Board under section \_\_\_\_\_ 4(c), the President shall review the report, and shall issue a plan for cutting child poverty in half within a decade, and eliminating child poverty entirely as soon as possible. The plan shall include specifications and allocations of funds to be made from the Child Poverty Elimination Trust Fund, to carry out the plan.

(b) RELATIONSHIP TO BOARD PLAN.—The plan issued under subsection (a) shall be the same as the plan developed by the Board under section \_\_\_\_\_ 4(c) except insofar as the President may determine, for good cause shown and stated together with the plan issued under subsection (a), that a modification of the Board’s plan would be more effective for eliminating child poverty.

(c) IMPLEMENTATION.—Not later than 90 days after issuing a plan under subsection (a), the President shall ensure the implementation of the plan issued under subsection (a), and shall work with Congress to ensure funding for the implementation of the plan.

**SEC. 6. IMPOSITION OF INDIVIDUAL INCOME TAX SURCHARGE TO FUND CHILD POVERTY ELIMINATION FUND.**

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 (relating to imposition of tax on individuals) is amended by adding at the end the following new subsection:

“(j) ADDITIONAL INCOME TAX.—

“(1) IN GENERAL.—If the adjusted gross income of an individual exceeds the threshold amount, the tax imposed by this section (determined without regard to this subsection) shall be increased by an amount equal to 1 percent of so much of the adjusted gross income as exceeds the threshold amount.

“(2) THRESHOLD AMOUNTS.—For purposes of this subsection, the term ‘threshold amount’ means—

“(A) \$1,000,000 in the case of a joint return, and

“(B) \$500,000 in the case of any other return.

“(3) TAX NOT TO APPLY TO ESTATES AND TRUSTS.—This subsection shall not apply to an estate or trust.”

(b) COORDINATION WITH MINIMUM TAX.—Section 55(c) of the Internal Revenue Code of 1986 (defining regular tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

“(3) COORDINATION WITH MINIMUM TAX.—Solely for purposes of this section, section 1(j) shall not apply in computing the regular tax.”

(c) ESTABLISHMENT OF CHILD POVERTY ELIMINATION FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following:

“**SEC. 9511. CHILD POVERTY ELIMINATION TRUST FUND.**

“(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘Child Poverty Elimination Trust Fund’ (referred to in this section as the ‘Trust Fund’), consisting of such amounts as may be appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

“(b) TRANSFERS TO TRUST FUND.—There is hereby appropriated to the Trust Fund an amount equivalent to the increase in revenues received in the Treasury as the result of the surtax imposed under section 1(j).

“(c) DISTRIBUTION OF AMOUNTS IN TRUST FUND.—Amounts in the Trust Fund shall be available, as provided by appropriation Acts, to make expenditures in connection with Federal programs designed to carry out the plan issued by the President under section 5 of the End Child Poverty Act, to eliminate child poverty.”

(2) CONFORMING AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following:

“Sec. 9511. Child Poverty Elimination Trust Fund.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(e) SECTION 15 NOT TO APPLY.—The amendment made by subsection (a) shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

**SA 3004.** Ms. SNOWE (for herself, Mr. WYDEN, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and in-

cluding the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

**SEC. RESERVE FUND FOR THE NEGOTIATION OF THE BEST POSSIBLE PRICE FOR PRESCRIPTION DRUGS THROUGH MEDICARE PART D.**

The Chairman of the Committee on the Budget of the Senate may revise the aggregates, allocations, functional totals, and other appropriate levels and limits in this resolution upon enactment of legislation that allows the Secretary of Health and Human Services to use the collective purchasing power of 40,000,000 Medicare beneficiaries to negotiate the best possible prices for prescription drugs provided through part D of title XVIII of the Social Security Act in fallback plans and, if asked, by private drug plans, and in other circumstances, but not permitting price setting or a uniform formulary, by the amount of savings in that legislation, to ensure that those savings are reserved for deficit reduction or to improve the Medicare part D drug benefit.

**SA 3005.** Mr. BURNS submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

**SEC. SENSE OF THE SENATE REGARDING THE 10-PERCENT TAX RATE BRACKET.**

It is the sense of the Senate that—

(1) the aggregate reduced levels of Federal revenues under section 101(1)(B) assume the extension of the 10-percent rate bracket under section 1(i)(1) of the Internal Revenue Code of 1986 through September 30, 2011, and

(2) the 10-percent rate bracket should be made permanent.

**SA 3006.** Ms. SNOWE submitted an amendment intended to be proposed by her to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

On page 15, line 21, increase the amount by \$121,000,000.

On page 15, line 22, increase the amount by \$85,000,000.

On page 16, line 1, increase the amount by \$28,000,000.

On page 16, line 5, increase the amount by \$7,000,000.

On page 16, line 9, increase the amount by \$1,000,000.

On page 27, line 23, decrease the amount by \$121,000,000.

On page 27, line 24, decrease the amount by \$85,000,000.

On page 28, line 2, decrease the amount by \$28,000,000.

On page 28, line 5, decrease the amount by \$7,000,000.

On page 28, line 8, decrease the amount by \$1,000,000.

**SA 3007.** Mr. AKAKA (for himself, Mrs. MURRAY, Mr. DORGAN, Mr. NELSON

of Florida, Mr. KERRY, Mr. SCHUMER, Mr. SALAZAR, Mrs. LINCOLN, Mr. LAUTENBERG, Mr. OBAMA, Mr. DODD, Ms. MIKULSKI, and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

On page 3, line 13, increase the amount by \$1,350,000,000.

On page 3, line 15, increase the amount by \$135,000,000.

On page 3, line 17, increase the amount by \$6,000,000.

On page 3, line 19, increase the amount by \$2,000,000.

On page 4, line 1, increase the amount by \$1,350,000,000.

On page 4, line 2, increase the amount by \$135,000,000.

On page 4, line 3, increase the amount by \$6,000,000.

On page 4, line 4, increase the amount by \$2,000,000.

On page 4, line 13, increase the amount by \$1,500,000,000.

On page 5, line 4, increase the amount by \$1,350,000,000.

On page 5, line 6, increase the amount by \$135,000,000.

On page 5, line 8, increase the amount by \$6,000,000.

On page 5, line 10, increase the amount by \$2,000,000.

On page 23, line 24, increase the amount by \$1,500,000,000.

On page 23, line 25, increase the amount by \$1,350,000,000.

On page 24, line 4, increase the amount by \$135,000,000.

On page 24, line 8, increase the amount by \$6,000,000.

On page 24, line 12, increase the amount by \$2,000,000.

On page 53, line 1, increase the amount by \$1,500,000,000.

On page 53, line 2, increase the amount by \$1,350,000,000.

**SA 3008.** Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the end of title III, insert the following:

**SEC. RESERVE FUND TO IMPROVE THE MEDICARE PRESCRIPTION DRUG BENEFIT; REPEAL OF DIRECT SPENDING LIMITATION.**

(a) RESERVE FUND.—The Chairman of the Committee on the Budget of the Senate may revise the allocations, aggregates, and other appropriate levels and limits in this resolution for a bill or joint resolution, or an amendment thereto or conference report thereon, that would—

(1) require the Secretary of Health and Human Services to offer a Medicare guaranteed prescription drug plan under part D of title XVIII of the Social Security Act that would be operated by the Secretary and that would have a service area that consists of the entire United States;

(2) improve the coverage under the program under such part D, including through

the reduction of the annual deductible and the required coinsurance and through the elimination of the coverage gap, cost-sharing above the annual out-of-pocket threshold, and the assets test for low-income beneficiaries;

(3) eliminate overpayments to Medicare Advantage plans under part C of such title, including through the elimination of the MA Regional Plan Stabilization Fund, through the extension of refinements to the health status adjustment to plan payments, and through requiring that the Medicare Advantage capitation rate be based on the fee-for-services rate;

(4) reduce costs by allowing the Secretary of Health and Human Services to negotiate discounted prices on prescription drugs offered under a drug plan under such part D; by the amount provided in such measure for those purposes.

(b) REPEAL OF DIRECT SPENDING LIMITATION.—Section 406 shall be null and void.

**SA 3009.** Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the end of title III, add the following:

**SEC. \_\_\_\_ . DEFICIT-NEUTRAL RESERVE FUND TO PROTECT MEDICARE BENEFICIARIES WHO ENROLL IN THE PRESCRIPTION DRUG BENEFIT DURING 2006.**

The Chairman of the Committee on the Budget of the Senate may revise the allocations, aggregates, and other appropriate levels and limits in this resolution for a bill or joint resolution, or an amendment thereto or conference report thereon, that would—

(1) extend the annual open enrollment period under the Medicare prescription drug program under part D of title XVIII through all of 2006 without imposing a late enrollment penalty for months during such period; and

(2) allow a one-time change of plan enrollment under such program at any time during 2006;

by the amount provided in such measure for those purposes, provided that such legislation would not increase the deficit for the period of fiscal years 2006 through 2011.

**SA 3010.** Mr. KYL submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

On page 24, line 24, increase the amount by \$2,000,000,000.

On page 24, line 25, increase the amount by \$2,000,000,000.

On page 27, line 23, decrease the amount by \$2,000,000,000.

On page 27, line 24, decrease the amount by \$2,000,000,000.

**SA 3011.** Mr. TALENT (for himself, Mr. LIEBERMAN, and Mr. THUNE) submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth

the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

On page 9, line 20, increase the amount by \$3,000,000,000.

On page 9, line 21, increase the amount by \$3,000,000,000.

On page 27, line 23, decrease the amount by \$3,000,000,000.

On page 27, line 24, decrease the amount by \$3,000,000,000.

**SA 3012.** Mr. KENNEDY submitted an amendment intended to be proposed by him to the concurrent resolution S. Con. Res. 83, setting forth the congressional budget for the United States Government for fiscal year 2007 and including the appropriate budgetary levels for fiscal years 2006 and 2008 through 2011; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . SENSE OF THE SENATE CONCERNING AN INCREASE IN THE MINIMUM WAGE.**

It is the sense of the Senate that the levels in this resolution assume that Congress should enact legislation to amend the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) to increase the Federal minimum wage by \$2.10, with a \$0.70 increase effective 60 days after the passage of this resolution, a \$0.70 increase effective 12 months after that 60th day, and a \$0.70 increase effective 24 months after that 60th day.

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ARMED SERVICES

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 13, 2006, at 3 p.m. in closed session to receive a briefing from the Joint Improvised Explosive Device Defeat Organization.

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

#### PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following detailees and interns with the Senate Finance Committee be granted privileges of the floor during the Senate's consideration of the budget resolution: Mary Baker, Robin Burgess, Tiffany Smith, Tom Louthan, Margaret Hathaway, Laura Kellams, Leona Cuttler, Deidra Henry-Spires, David Schwartz, Richard Litsey, Stuart Sirkin, Zachary Henderson, Lesley Meeker, Britt Sandler, Lauren Shields, Jordan Murray, and Will Larson.

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

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate im-

mediately proceed to executive session to consider the following nominations on today's Executive Calendar: Calendar Nos. 549, 551, 552, 554, 555, 557, 558, 559, 560, 562, 563, 564, 565, and all nominations on the Secretary's desk.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

##### DEPARTMENT OF JUSTICE

Terrance P. Flynn, of New York, to be United States Attorney for the Western District of New York for the term of four years.

##### DEPARTMENT OF EDUCATION

Michell C. Clark, of Virginia, to be Assistant Secretary for Management, Department of Education.

##### DEPARTMENT OF LABOR

Edwin G. Foulke, Jr., of South Carolina, to be an Assistant Secretary of Labor.

##### NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Jean B. Elshain, of Tennessee, to be a Member of the National Council on the Humanities for the remainder of the term expiring January 26, 2010.

Allen C. Guelzo, of Pennsylvania, to be a Member of the National Council on the Humanities for a term expiring January 26, 2012.

##### JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

George Perdue, of Georgia, to be a Member of the Board of Trustees of the James Madison Memorial Fellowship Foundation for a term expiring November 5, 2006.

##### INSTITUTE OF MUSEUM AND LIBRARY SERVICES

Anne-Imelda Radice, of Vermont, to be Director of the Institute of Museum and Library Services.

##### DEPARTMENT OF EDUCATION

Craig T. Ramey, of West Virginia, to be a Member of the Board of Directors of the National Board for Education Sciences for a term of two years.

##### LEGAL SERVICES CORPORATION

Sarah M. Singleton, of New Mexico, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2008.

##### DEPARTMENT OF JUSTICE

Donald J. DeGabrielle, Jr., of Texas, to be United States Attorney for the Southern District of Texas for the term of four years.

John Charles Richter, of Oklahoma, to be United States Attorney for the Western District of Oklahoma for the term of four years.

Amul R. Thapar, of Kentucky, to be United States Attorney for the Eastern District of Kentucky for the term of four years.

Mauricio J. Tamargo, of Florida, to be Chairman of the Foreign Claims Settlement Commission of the United States for a term expiring September 30, 2009.

##### NOMINATIONS PLACED ON THE SECRETARY'S DESK

##### PUBLIC HEALTH SERVICE

PN936 Public Health Service nomination of Leah Hill, which was received by the Senate and appeared in the Congressional Record of September 28, 2005.

PN937 Public Health Service nominations (262) beginning Gregory A. Abbott, and ending Carl A. Huffman III, which nominations

were received by the Senate and appeared in the Congressional Record of September 28, 2005.

NOMINATION OF DONALD DEGABRIELLE, JR.

Mr. CORNYN. Mr. President, I rise to express my enthusiastic support for Don DeGabrielle, an outstanding attorney and committed public servant who has been nominated by the President to serve as the U.S. attorney for the Southern District of Texas.

The Southern District of Texas is home to Houston, our Nation's fourth largest city. The district extends from Houston to the U.S.-Mexico border, and includes the cities of Brownsville, McAllen, and Laredo—all of which are located on or near the border.

The position for which Don DeGabrielle is nominated has been vacant for some time now. As my colleagues know, the U.S. attorney is each district's chief Federal law enforcement officer. So it is critically important to the Department of Justice and to the people of the Southern District that this vacancy be filled as soon as possible.

Don DeGabrielle is an outstanding selection for this post. He brings extensive and praiseworthy prosecutorial experience. Don DeGabrielle has served the Southern District as an assistant U.S. attorney for the past 20 years—the last 4 as first assistant U.S. attorney. As first assistant, he was responsible for the day-to-day management of the district, supervising an extensive criminal, civil, and appellate docket.

Don DeGabrielle has unimpeachable credentials as a prosecutor. He has tried nearly 200 cases in both State and Federal courts, has been an instructor at the National Advocacy Center, and has provided legal instruction to Federal agents.

Don DeGabrielle's diverse experience includes a stint in 2001 as the Resident Legal Adviser to the Republic of South Africa, where he advised that nation's prosecutors and helped reorganize its Justice Ministry. Prior to his career as a prosecutor, he served as an FBI special agent in New Orleans and New York City.

In short, Don DeGabrielle's unique qualifications make this nomination a superb one. I am confident that he will serve this country with distinction. And I am proud to support his nomination.

NOMINATION OF AMUL R. THAPAR

Mr. MCCONNELL. Mr. President, it is my great honor and privilege today to speak on behalf of Amul R. Thapar, the President's nominee to be the next U.S. Attorney for the Eastern District of Kentucky. Mr. Thapar is an outstanding man of great credentials and character. He has many years of experience successfully prosecuting some of America's most wanted criminals, and his confirmation will lead to a safer, more just Kentucky.

Mr. Thapar has served as an Assistant U.S. Attorney in Cincinnati since 2002. In that position, he has managed the successful prosecution of a wide va-

riety of Federal crimes, with an emphasis on public corruption, homeland security, and violent crimes.

Mr. Thapar led the Southern Ohio Mortgage Fraud Task Force, which successfully prosecuted approximately 40 perpetrators of mortgage fraud. Last year, he led the successful investigation and prosecution of a conspiracy ring to provide illegal aliens with fraudulent drivers' licenses.

Mr. Thapar also served as an Assistant U.S. Attorney right here in Washington, DC, from 1999 to 2001. He went after violent criminals in the District, and had a role in prosecuting the notorious "Starbucks Homicides" that happened in Georgetown several years ago.

For his excellence in public service, Mr. Thapar has been recognized by the Department of Justice, which honored him with a special achievement award; by the Postal Inspection Service, for his many successful investigations of violent and white-collar crimes; by the Secret Service for his efforts to fight counterfeiting; and the FBI for his campaigns against bank fraud and election fraud.

Mr. Thapar is an accomplished attorney in private practice as well. He has worked as an associate at both the prestigious Squire, Sanders & Dempsey law firm of Cincinnati and the Williams & Connolly law firm of Washington, DC. In both of those jobs, he managed and litigated complex cases on behalf of major corporations in both Federal and State courts.

Mr. Thapar has served as an adjunct professor at Georgetown University Law Center, and until recently served as an adjunct professor at the University of Cincinnati College of Law, where he taught Federal criminal practice. He has clerked for Judge Nathaniel R. Jones of the U.S. Court of Appeals for the Sixth Circuit and Judge S. Arthur Spiegel of the U.S. District Court for the Southern District of Ohio.

Even while managing such an impressive career, Amul still finds time to volunteer in his community. In 1995, he founded the Cincinnati chapter of the well-respected Street Law program. Street Law sends law school students into underprivileged high schools to teach kids about the basic underpinnings of our legal system, and the rights and responsibilities inherent in being an American citizen. Hundreds of students have benefited from Amul's initiative, and the program is larger and more successful than ever after 11 years.

Amul graduated from the renowned Boalt Hall School of Law of the University of California after receiving his undergraduate degree with high honors from Boston College. In addition to his remarkable career accomplishments, Amul has a remarkable family, and I am sure his wife, Kimberly, and his children, Zachary, Carmen and Nicholas, are very proud of him and all he has achieved.

The President has made the right choice by calling on Amul to serve the

people of Kentucky as the chief law enforcement officer for the State's Eastern District. Amul's entire career has prepared him for this assignment. He has risen to the top of his field to become a stellar career prosecutor. He has gained valuable experience in handling all types of cases. And, most importantly, he is a man of integrity, intelligence, and spirit, who has a deep desire to seek out justice on behalf of those who deserve it.

I appreciate my fellow Senators' expeditious handling of Mr. Thapar's nomination, and I am confident he has the energy and the experience to excel as Kentucky's next U.S. Attorney.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

GREEK INDEPENDENCE DAY: A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. Res. 399, which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 399) designating March 25, 2006, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 399) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 399

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily on the political experience and philosophy of ancient Greece in forming our representative democracy;

Whereas Greek Commander in Chief Petros Mavromichalis, a founder of the modern Greek state, said to the citizens of the United States in 1821 that "it is in your land that liberty has fixed her abode and . . . in imitating you, we shall imitate our ancestors and be thought worthy of them if we succeed in resembling you";

Whereas Greece played a major role in the World War II struggle to protect freedom and democracy through such bravery as was shown in the historic Battle of Crete, which provided the Axis land war with its first major setback, setting off a chain of events that significantly affected the outcome of World War II;

Whereas the price for Greece in holding our common values in their region was high, as hundreds of thousands of civilians were killed in Greece during World War II;

Whereas, throughout the 20th century, Greece was 1 of only 3 countries in the world, beyond the former British Empire, that allied with the United States in every major international conflict;

Whereas President George W. Bush, in recognizing Greek Independence Day, said, "Greece and America have been firm allies in the great struggles for liberty. Americans will always remember Greek heroism and Greek sacrifice for the sake of freedom . . . [and] as the 21st Century dawns, Greece and America once again stand united; this time in the fight against terrorism. The United States deeply appreciates the role Greece is playing in the war against terror. . . . America and Greece are strong allies, and we're strategic partners.";

Whereas President Bush stated that Greece's successful "law enforcement operations against a terrorist organization [November 17] responsible for three decades of terrorist attacks underscore the important contributions Greece is making to the global war on terrorism";

Whereas Greece is a strategic partner and ally of the United States in bringing political stability and economic development to the volatile Balkan region, having invested over \$10,000,000,000 in the region;

Whereas Greece was extraordinarily responsive to requests by the United States during the war in Iraq, as Greece immediately granted unlimited access to its airspace and the base in Souda Bay, and many ships of the United States that delivered troops, cargo, and supplies to Iraq were refueled in Greece;

Whereas, in August 2004, the Olympic games came home to Athens, Greece, the land of their ancient birthplace 2,500 years ago and the city of their modern revival in 1896;

Whereas Greece received world-wide praise for its extraordinary handling during the 2004 Olympics of over 14,000 athletes from 202 countries and over 2,000,000 spectators and journalists, which it did so efficiently, securely, and with its famous Greek hospitality;

Whereas the unprecedented security effort in Greece for the first Olympics after the attacks on the United States on September 11, 2001, included a record-setting expenditure of over \$1,390,000,000 and assignment of over 70,000 security personnel, as well as the utilization of an 8-country Olympic Security Advisory Group that included the United States;

Whereas Greece, located in a region where Christianity meets Islam and Judaism, maintains excellent relations with Muslim nations and Israel;

Whereas the Government of Greece has had extraordinary success in recent years in furthering cross-cultural understanding and reducing tensions between Greece and Turkey;

Whereas Greece and the United States are at the forefront of the effort for freedom, democracy, peace, stability, and human rights;

Whereas those and other ideals have forged a close bond between these 2 nations and their peoples;

Whereas March 25, 2006, marks the 185th anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire; and

Whereas it is proper and desirable to celebrate this anniversary with the Greek people and to reaffirm the democratic principles from which these 2 great nations were born: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates March 25, 2006, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; and

(2) encourages the people of the United States to observe the day with appropriate ceremonies and activities.

#### EXPRESSING THE SENSE OF THE SENATE ON THE CONSTITUTIONAL REFORM PROCESS IN BOSNIA AND HERZEGOVINA

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 400, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 400) expressing the sense of the Senate on the constitutional reform process in Bosnia and Herzegovina.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The resolution (S. Res. 400) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 400

Whereas the General Framework Agreement for Peace in Bosnia and Herzegovina (commonly referred to as the "Dayton Peace Accords") was agreed to at Wright Patterson Air Force Base in Dayton, Ohio, on November 21, 1995;

Whereas the signing of the Dayton Peace Accords was a historic accomplishment that was made possible through the strong leadership of the United States;

Whereas the signing of the Dayton Peace Accords ended a brutal 3½-year conflict marked by aggression and genocide in which many tens of thousands lost their lives;

Whereas the Dayton Peace Accords created a framework for a common state in Bosnia and Herzegovina, but was crafted amidst the exigencies of war and included many compromises imposed by the need for quick action to preserve human life;

Whereas in the 10 years since the signing of the Dayton Peace Accords, there has been considerable progress in building a peaceful society in Bosnia and Herzegovina;

Whereas this progress in building a peaceful society has been facilitated by both the citizens of the country and the international community;

Whereas, during the 9 years that the peacekeepers of the North Atlantic Treaty Organization worked to keep order in Bosnia and Herzegovina, their forces suffered no intentional casualties and never fired a single shot in combat;

Whereas Bosnia and Herzegovina has demonstrated a willingness to contribute to the work of the international community and sent 36 troops to assist in efforts to stabilize the country of Iraq;

Whereas the full incorporation of Bosnia and Herzegovina into the Euro-Atlantic community is in the national interest of the United States;

Whereas, past accomplishments notwithstanding, the citizens of Bosnia and Herzegovina continue to face significant challenges on their road toward further Euro-Atlantic integration;

Whereas the Council of Europe's Venice Commission has concluded that the current constitutional arrangements of Bosnia and Herzegovina are neither efficient nor rational, and that the state-level institutions need to become more effective and democratic if Bosnia and Herzegovina is to move toward membership in the European Union;

Whereas Secretary of State Condoleezza Rice has said that the people of Bosnia and Herzegovina need "a stronger, energetic state capable of advancing the public good" and pledged that the United States will remain a dedicated partner to Bosnia and Herzegovina as it moves toward further Euro-Atlantic integration;

Whereas leaders of Bosnia and Herzegovina have already agreed to significant reforms of the budget process, intelligence services, criminal prosecution offices, justice ministry, border and customs services, and defense sector;

Whereas, on November 22, 2005, political leaders of Bosnia and Herzegovina met in Washington and signed a Commitment to Pursue Constitutional Reform in which members pledged to continue working toward the creation of stronger and more efficient democratic institutions; and

Whereas it is imperative that changes to the constitution of Bosnia and Herzegovina be agreed to by April 2006 to take effect prior to national elections in October 2006: Now, therefore, be it

*Resolved*, That it is the sense of the Senate that—

(1) it is time for Bosnia and Herzegovina to work toward the creation of a state with more functional, self-sustaining institutions;

(2) any agreement on constitutional reform in Bosnia and Herzegovina should advance the principles of democracy and tolerance;

(3) the constitutional reforms of Bosnia and Herzegovina should be consistent with, and bring the country closer to, the goal of membership in the European Union;

(4) the United States supports the development of Bosnia and Herzegovina as a unified, fully democratic, and stable state on the path toward Euro-Atlantic integration;

(5) all parties to negotiations on the reforms of the Constitution of Bosnia and Herzegovina should work together and seek compromises so that a first set of revisions to the Constitution can take effect before national elections in October 2006;

(6) all groups responsible for past violence and atrocities in Bosnia and Herzegovina must accept responsibility for their actions and promote reconciliation among the different ethnic groups of Bosnia and Herzegovina; and

(7) all levels of government in Bosnia and Herzegovina must comply with the directives of the International Criminal Tribunal for the Former Yugoslavia (ICTY), arrest persons indicted for war crimes, and turn over fugitives to face justice at the International Criminal Tribunal.

#### REPUBLIC OF BELARUS PRESIDENTIAL ELECTION

Mr. FRIST. I ask unanimous consent that the Senate now proceed to the consideration of S. Res. 401 which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 401) urging the Republic of Belarus to conduct planned presidential elections March 19, 2006, in a free, fair, and transparent manner, and with respect for human rights.

There being no objection, the Senate proceeded to consider the resolution.

Mr. FRIST. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 401) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 401

Whereas the Government of Belarus has accepted numerous specific commitments governing the conduct of elections as a participating State of the Organization for Security and Co-operation in Europe (OSCE), including provisions of the 1990 Copenhagen Document;

Whereas the Belarus parliamentary elections of 2000 failed to meet international standards;

Whereas the Belarus presidential elections of 2001 failed to meet international standards;

Whereas the local elections in Belarus in 2003 failed to meet international standards;

Whereas the Belarus parliamentary elections of 2004 failed to meet international standards;

Whereas the 2004 vote on the constitutional referendum in Belarus failed to meet international standards;

Whereas Belarus is scheduled to conduct presidential elections on March 19, 2006;

Whereas President of Belarus Alexander Lukashenko has placed tight controls on the press, jailed opposition party members, violently disrupted protests, conducted surveillance of opposition candidates, and been implicated in the disappearance of at least 3 opposition members and a journalist;

Whereas, on March 2, 2006, opposition candidate Alexander Kazulin and 20 of his supporters were beaten and detained.

Whereas the campaign of Alexander Milinkevich, the main opposition candidate, has been subject to repeated government harassment and bureaucratic obstacles to open campaigning; and

Whereas the intimidation and arrest of opposition parties and candidates, including the reported March 8, 2006, arrest of Vincuk Viachorka and 5 other members of Alexander Milinkevich's campaign team, represents a deliberate assault on the democratic process and sends a clear signal that government officials in Belarus are not committed to holding free and fair elections; Now, therefore, be it:

*Resolved*, That the Senate—

(1) supports the people of Belarus as they face the dictatorship of President Lukashenko;

(2) notes that the integration of Belarus into the Western community of nations will suffer delay so long as President Lukashenko prevents the development of a democratic political system;

(3) urges the Government of Belarus to ensure a free, fair, and fully transparent 2006 presidential election, in accordance with Or-

ganization for Security and Co-operation in Europe (OSCE) standards, including unobstructed access to all aspects of the election process by the OSCE Office of Democratic Institutions and Human Rights (ODIHR), opposition parties, and nongovernmental organizations;

(4) encourages the international community, including the Council of Europe and the OSCE, to continue supporting democracy in Belarus, and thanks the governments and people of neighboring countries such as Poland, Lithuania, and Latvia for continuing to promote democracy and human rights in Belarus; and

(5) expresses its belief that tyranny in Belarus will not forever endure and that the people of Belarus will one day enjoy the benefits of democracy and human rights at home.

JOHN H. BRADLEY DEPARTMENT OF VETERANS AFFAIRS OUTPATIENT CLINIC

Mr. FRIST. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 1691 and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1691) to designate the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin as the "John H. Bradley Department of Veterans Affairs Outpatient Clinic."

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. I ask unanimous consent the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the measure be printed in the RECORD.

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

The bill (H.R. 1691) was read the third time and passed.

ORDERS FOR TUESDAY, MARCH 14, 2006

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. on Tuesday, March 14. I further ask that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate resume consideration of S. Con. Res. 83, the budget resolution, as under the previous order; provided further that there be 40 hours equally divided remaining for debate.

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

PROGRAM

Mr. FRIST. Mr. President, we are going to have a very busy day tomorrow and, indeed, a very busy week. We need to work through amendments on

the budget resolution. At 3 p.m. tomorrow, we will have a series of votes on amendments. Senators should plan to be in the Chamber for six back-to-back votes. Senators who are planning to offer amendments should be working with the two managers, Senator GREGG and Senator CONRAD. Senators should expect full days and some late nights and should plan their schedules accordingly. There will be additional votes tomorrow after the stacked votes at 3 p.m.

Mr. President, as I said earlier today, we will complete action on the budget resolution this week, and we absolutely must address the issues surrounding the debt ceiling as well.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:04 p.m., adjourned until Tuesday, March 14, 2006, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 13, 2006:

DEPARTMENT OF STATE

ROBERT D. MCCALLUM, JR., OF GEORGIA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO AUSTRALIA.

LEGAL SERVICES CORPORATION

JONANN E. CHILES, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 2008, VICE ROBERT J. DIETER, RESIGNED.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

J. C. A. STAGG, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION FOR A TERM EXPIRING NOVEMBER 17, 2011, VICE JAY PHILLIP GREENE, TERM EXPIRED.

DEPARTMENT OF JUSTICE

KENNETH L. WAINSTEIN, OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL, (NEW POSITION)

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

*To be major*

CHRISTINE L. BLICERBAUM, 0000  
HERBERT E. B. COKER, 0000  
HECTOR L. COLONCOLON, 0000  
DAVID W. DEPINHO, 0000  
MATTHEW P. FRANK, 0000  
PATRICK A. GENSEAL, 0000  
SHERRYL L. JAMES, 0000  
LESLIE A. JANOVEC, 0000  
ROBERT W. JOHNSON, 0000  
EDDIE JONES, 0000  
DANIEL N. KARANJA, 0000  
DWAYNE W. KEENE, 0000  
STUART A. KING, 0000  
DONALD A. LEVY, 0000  
KEVIN L. LOCKETT, 0000  
JOSHUA NARROW, 0000  
GLENNDON E. PAGE, JR., 0000  
JOSEPHINE E. PINKNEY, 0000  
TIMOTHY J. PORTER, 0000  
JOSE H. TATE, 0000  
ABNER PERRY V. VALENZUELA, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

*To be major*

KRISTINE M. AUTORINO, 0000  
SHANNON ANN BENNETT, 0000  
COREA K. BERGENSER, 0000  
YAVONTKA V. BOOSE, 0000

MICHAEL A. BORDERA, 0000  
 RODNEY D. BULLARD, 0000  
 ERIC J. CADOTTE, 0000  
 TANIKA M. CAPERS, 0000  
 ROBERT P. CHATHAM, 0000  
 JENNIFER A. CLAY, 0000  
 MATT D. COAKLEY, 0000  
 CHADWICK A. CONN, 0000  
 MICHELLE L. CRAWFORD, 0000  
 DON D. DAVIS III, 0000  
 JOHN C. DEGNAN, 0000  
 KIMANI R. EASON, 0000  
 MARK S. ETHERIDGE, 0000  
 KARI M. FLETCHER, 0000  
 JOHN M. FULTZ III, 0000  
 JEFFREY S. B. HARR, 0000  
 MARK D. HOOVER, 0000  
 CINNAMON M. HOWARD, 0000  
 MATTHEW C. HOYER, 0000  
 WILLIAM D. JOHNSON, 0000  
 SHERI K. JONES, 0000  
 MELANIE S. KEIPER, 0000  
 RYAN J. LAMBRECHT, 0000  
 HEATHER N. LARSON, 0000  
 OREN D. LEFF, 0000  
 LINELL A. LETENDRE, 0000  
 JASON R. LINDBLOOM, 0000  
 CHRISTOPHER D. MAY, 0000  
 SHAWN D. MCKELVY, 0000  
 CHRISTOPHER S. MORGAN, 0000  
 ERK M. MUDRINICH, 0000  
 PETER C. MYERS, 0000  
 TARALYNN M. OLAYVAR, 0000  
 KRISTIN L. PETERSEN, 0000  
 JOSEPH A. POLLARD, 0000  
 JEFFREY M. POZEN, 0000  
 KIMBERLY A. QUEDENSLEY, 0000  
 MALCOLM R. RICHARD, 0000  
 JOHN P. RIEDER, 0000  
 DONNA S. RUEPPELL, 0000  
 ARIE J. SCHAAP, 0000  
 LYNN SCHMIDT, 0000  
 CHRISTOPHER M. SCHUMANN, 0000  
 STEVEN M. SOLLINGER, 0000  
 RICHARD J. STABLE, JR., 0000  
 ALEXIS N. STACKHOUSE, 0000  
 MATTHEW P. STOFFEL, 0000  
 LYNN R. SYLMAR, 0000

SAMUEL B. WAKEFIELD, 0000  
 DAMUND E. WILLIAMS, 0000  
 JASON S. WRACHFORD, 0000  
 TIWANA L. WRIGHT, 0000

CONFIRMATIONS

Executive nominations confirmed by the Senate Monday, March 13, 2006:

DEPARTMENT OF EDUCATION

MICHELL C. CLARK, OF VIRGINIA, TO BE ASSISTANT SECRETARY FOR MANAGEMENT, DEPARTMENT OF EDUCATION.

DEPARTMENT OF LABOR

EDWIN G. FOULKE, JR., OF SOUTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF LABOR.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

JEAN B. ELSHTAIN, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR THE REMAINDER OF THE TERM EXPIRING JANUARY 26, 2010.

ALLEN C. GUELZO, OF PENNSYLVANIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2012.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

GEORGE PERDUE, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION FOR A TERM EXPIRING NOVEMBER 5, 2006.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES

ANNE-IMELDA RADICE, OF VERMONT, TO BE DIRECTOR OF THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

DEPARTMENT OF EDUCATION

CRAIG T. RAMEY, OF WEST VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL BOARD FOR EDUCATION SCIENCES FOR A TERM OF TWO YEARS.

LEGAL SERVICES CORPORATION

SARAH M. SINGLETON, OF NEW MEXICO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 2008. THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

LEO MAURY GORDON, OF NEW JERSEY, TO BE A JUDGE OF THE UNITED STATES COURT OF INTERNATIONAL TRADE.

DEPARTMENT OF JUSTICE

TERRANCE P. FLYNN, OF NEW YORK, TO BE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS.

DONALD J. DEGABRIELE, JR., OF TEXAS, TO BE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

JOHN CHARLES RICHTER, OF OKLAHOMA, TO BE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS.

AMUL R. THAPAR, OF KENTUCKY, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF KENTUCKY FOR THE TERM OF FOUR YEARS.

MAURICIO J. TAMARGO, OF FLORIDA, TO BE CHAIRMAN OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES FOR A TERM EXPIRING SEPTEMBER 30, 2009.

PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE NOMINATION OF LEAH HILL TO BE SENIOR ASSISTANT SURGEON.

PUBLIC HEALTH SERVICE NOMINATIONS BEGINNING WITH GREGORY A. ABBOTT AND ENDING WITH CARL A. HUFFMAN III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 28, 2005.