

far from her old neighborhood, Blaise found her perfect house, though it needed some fixing, too.

Her father, Steve Decker, a former civil engineer for the state, lives nearby on a 250-acre farm that has been in the Decker family for generations.

Blaise has slowly remodeled the house, painting the rooms in deep, rich colors, and the kitchen a cheery 1950s red and white. Walls hold framed photos with military themes—she is an avid student of military history—and photos of Mike Blaise. His Air Cavalry hat is in the living room, resting atop the triangular case that holds his medals and the American flag that draped his casket.

It was in this home that Blaise came to terms with her loss. For the better part of a year, she spent hours in her office, writing chapters and e-mailing them to Dana White, a writer-editor in New York, who co-authored her book.

She says the toughest part wasn't writing about the night in Iraq when she was told of her husband's helicopter accident.

"It's easy to be sad about the sad things," she says. "It was the happy parts that were the hardest. They made me miss him more."

The Mike Blaise she loved was a big guy who took her deer hunting and made her laugh and liked to sing country songs in karaoke bars.

The book is, in fact, full of happy times, a tribute to growing up in small-town America.

She tells tales on her younger brother and three older sisters—in particular her sister Lindsey, who served in Iraq with the Missouri National Guard.

Blaise writes that her mother's injury in a car accident was the day that changed everything for her. Marie Decker survived but now lives in a long-term care facility.

The book is also a tribute to the tenacity of women who have found homes and carved out careers in the predominantly male world of the military. Blaise has little patience with recent political skirmishes that would have limited the roles of servicewomen in Iraq and Afghanistan.

"This genie is out of the bottle, and no amount of coaxing will get her back in," she says in her book.

But mostly, the book is a tribute to the life and love of a devoted couple who struggled to maintain their marriage through long separations and their share of disappointments. She says her late husband would have insisted on such honesty.

"Mike would have been uncomfortable being glorified," she says.

She still has Scout, the dog the Blaises adopted while serving in Korea. He is a prize, with his baby-seal face and Yodalike ears, a black and white softie who warily eyes strangers and barks at the Amish buggies that pass by their house on U.S. Highway 36.

Though writing the book was an emotional ordeal, it also helped her come to grips with her sadness, she says.

"The day I finished writing, I felt an overwhelming sense of peace," she says.

THE NEXT CHAPTER

Blaise jokes that some people in Macon feared she was writing a tell-all. And, in effect, that's what she did—she told it all, as it related to her life.

"I think her experience growing up was all of our experiences. Nothing could shock us," said Sharon Pennington, who teaches business and computer classes at Atlanta and remembers Mike Blaise as a shy youngster, two years younger than she is.

Kathy Baker, the school superintendent's secretary, was first in line to have Blaise autograph her book.

"I haven't read it. I can't," said Baker, her eyes growing moist. "It's too close."

Baker knows many of Blaise's relatives, including Mike's grandfather, Virgil, whom everyone called Grampy. He died while the Blaises were still in Iraq, and Mike Blaise is buried next to him in Shelby Memorial Cemetery.

Blaise says she's not really sure what she will do with the rest of her life. She says she would consider writing another book, perhaps about grief, which she knows a lot about. Though people gave her books on grief, she found them less than helpful with their flowery sentiments. Her book would be more real.

"It's hard to grieve," she says. "It sucks, and it's going to suck for a long time."

In the meantime, Blaise has joined the Missouri National Guard's 175th Military Police, based in Columbia, because being in the military remains important to her.

"It's the one thing that I do that's for the greater good," she says.

When the unit was sent to New Orleans after Hurricane Katrina, she found the deployment satisfying in a new way.

"I had never done anything that helped Americans," Blaise said.

Blaise recently got engaged to a helicopter pilot who knew her late husband in flight school. Ironically, it was Mike Blaise's affection for his Harley-Davidson motorcycle that brought this new love into her life. They met while riding their Harleys to the Sturgis Motorcycle Rally in South Dakota, fulfilling a wish that Mike had made to attend the event after the war.

Blaise says she wasn't looking for romance, and neither was her fiancé. It was an unexpected gift, another of those life's blessings she often talks about.

"Knowing that Mike knew him somehow eases the guilt," she says. "God doesn't always agree with what you set for yourself."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

FAIR MINIMUM WAGE ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 2) to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

Pending:

Reid (for Baucus) amendment No. 100, in the nature of a substitute.

McConnell (for Gregg) amendment No. 101 (to amendment No. 100), to provide Congress a second look at wasteful spending by establishing enhanced rescission authority under fast-track procedures.

Sununu amendment No. 112 (to amendment No. 100), to prevent the closure and defunding of certain women's business centers.

Kyl amendment No. 115 (to amendment No. 100), to extend through December 31, 2008, the depreciation treatment of leasehold, restaurant, and retail space improvements.

Bunning amendment No. 119 (to amendment No. 100), to amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits.

Enzi (for Ensign/Inhofe) amendment No. 152 (to amendment No. 100), to reduce document fraud, prevent identity theft, and pre-

serve the integrity of the Social Security system.

Enzi (for Ensign) amendment No. 153 (to amendment No. 100), to preserve and protect Social Security benefits of American workers, including those making minimum wage, and to help ensure greater congressional oversight of the Social Security system by requiring that both Houses of Congress approve a totalization agreement before the agreement, giving foreign workers Social Security benefits, can go into effect.

Enzi (for Ensign) amendment No. 154 (to amendment No. 100), to improve access to affordable health care.

The PRESIDING OFFICER. Under the previous order, the hour of 10:37 having arrived, there will be 1 hour of debate in relation to amendment No. 101.

The Senator from New Hampshire.

Mr. GREGG. I ask unanimous consent that during quorum calls in this hour, the time be equally divided on both sides.

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

Mr. GREGG. 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. KENNEDY. 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. KENNEDY. How much time is left and how is it divided?

The PRESIDING OFFICER. The majority controls 26 minutes, half of which belongs to the Senator from Massachusetts. The other half belongs to the Senator from North Dakota.

Mr. GREGG. Mr. President, could you tell us the entire allotted time?

The PRESIDING OFFICER. The Republicans control 21 minutes.

Mr. KENNEDY. Mr. President, I yield myself 5 minutes.

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

Mr. KENNEDY. Mr. President, we are going to be voting on the minimum wage this morning. Hopefully, the Senate will vote for what I consider to be a clean bill—a clean bill being legislation that will increase the minimum wage to \$7.25 over a 2-year period.

There will be another measure that will be voted on that Senator GREGG and Senator CONRAD will address, which is a line-item veto. But the fundamental issue we have before the Senate is the issue of an increase in the minimum wage—an increase in the minimum wage which has not taken place over the period of the last 10 years, and which I am very hopeful we will get strong bipartisan support for.

If you look over the history of the minimum wage, the nine different times we have raised the minimum wage, we have had bipartisan support for that increase. It has only been in the very recent years that Republican leadership has led the fight against it. We now have new leadership in the

House and the Senate and the Democratic leadership that brought this matter forward. We offer an open hand to our Republican friends to support this program, which is so important to so many working families.

From our earliest days, we have been a nation of strong values—particularly fairness and opportunity and concern for our fellow citizens. While we are a country of individualists, we have always recognized that America is strongest when we all prosper together. One of the earliest governing documents in our history, the Mayflower Compact, talked about laws that would support “the general good.” Later, in the preamble to our Constitution, we pledged that our Government would “promote the general welfare.”

That is our proud history. Our Nation has thrived because we have made a commitment to shared prosperity. The vote we will cast today is a measure of our commitment to these values.

Minimum wage workers have been waiting for a raise for 10 long and difficult years. They have worked more than one job. They have saved every penny they can for the future of their children. They have decided each day what food they can afford and what bills they can pay.

Americans understand fairness, and they know this is unfair. They have called on us time and again to raise the minimum wage, but time and again—year after year—this Congress has turned its back on working families.

It is wrong that hard-working men and women cannot afford to put food on the table or heat their homes. It is wrong that our productivity soars, but our lowest paid workers fall further and further behind. And it would be wrong to demand a price of more and more tax breaks before these hard-working families get the raise they have earned.

Congress has voted itself a raise eight times over the past 10 years, while minimum wage workers have received nothing. Congress never demanded a price for increasing its wages. So why should we demand a price for giving minimum wage workers a raise? What is good enough for Congress surely is good enough for American workers. I say Congress should do unto others what it has done for itself. And we have not just been doing for ourselves. Over the last 10 years, we have done a whole lot for corporate America. We have given them \$276 billion in corporate tax breaks. We have done a lot for the wealthiest Americans, who have seen their incomes skyrocket with generous tax giveaways. Why can't we do one thing for minimum wage workers? No strings attached, no giveaways for the powerful—why can't we do this one simple thing because it is the right thing to do?

Minimum wage workers are men and women of dignity. They do some of the most difficult back-breaking jobs in our society. They clean our offices.

They serve our food. They take care of our children in preschools, and care for our elderly in nursing homes. They deserve a fair wage that respects the dignity of their work, and they should not have to live in poverty.

President Kennedy once said:

If a free society cannot help the many who are poor, it cannot save the few who are rich.

We are a rich nation, but unless we do more to help the poorest Americans, we will not be able to save ourselves.

We have an opportunity today to take one bold step toward solving the problem of poverty in this great Nation. Today—right now—we can pass the House bill and send it to the President. We can raise the minimum wage and give 13 million hard-working people hope for a brighter future.

I hope my colleagues on the other side of the aisle will join me in voting for minimum wage workers today. This should not be a partisan issue. It is about standing behind our values. It is long past time to do the right thing and give minimum wage workers a raise.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mr. CORNYN. Mr. President, I see the floor manager from our side, Senator GREGG, on the floor. I talked to him about yielding me 10 minutes from our time. I ask if that is still acceptable.

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

Mr. CORNYN. Thank you, Mr. President.

AMENDMENT NO. 101

Mr. President, I want to talk specifically about the second-look-at-wasteful-spending amendment which is pending and that we will vote on here in a few moments. I hope to come back later today, perhaps, and talk more generally about the minimum wage bill that is pending, the underlying bill, and talk about how I hope our goal would be to train and educate American workers to fill good, high-paying jobs that currently go wanting for lack of a trained workforce. I would hope we would spend at least as much of our efforts on training them, providing them the alternatives to earn those higher, good wages as we spend focusing on the 2.5 percent of the workforce who actually earn the minimum wage—generally people who are starting into the workforce: teenagers, part-time workers, and the like—and how, notwithstanding our best of intentions, some of our actions here, by Government actually setting a minimum wage, may actually put some of them out of work.

But I would focus on the second-look-at-wasteful-spending amendment and challenge our colleagues on the other side of the aisle, in a good way.

Since we have come back after the election, and we have this new 110th Congress, we have heard a lot of very appropriate commentary on both sides

of the aisle about the importance of our working together in order to solve some of the Nation's most serious problems. The President talked about that last night. One of the areas the President spoke about last night in his State of the Union Message—and I hear an awful lot about from my constituents—is concern about wasteful spending.

Indeed, a lot of what we did on a bipartisan basis this last week on lobbying and ethics reform was to turn the bright light of public scrutiny on the earmark process—special appropriations stuck in bills that frequently benefit individuals and groups—to turn the bright light on those, offer greater transparency, so the public can know how their tax dollars are being spent and, hopefully, people understanding that whatever they do will be exposed to public scrutiny, they will make sure their conduct in doing so conforms with the highest ethical standards they have a right to expect from us.

But the fact is that Presidents on both sides of the aisle—President Clinton, when he was President; now President Bush—have sought the authority of the line-item veto or, in this instance, what we are talking about is the so-called enhanced rescission. It is a process where the President, once an appropriations bill is sent over to him, highlights a concern he or she has about an appropriations bill, and sends it back over to the Congress to reconsider.

This is a way to provide the kind of laser-like focus we need to have on wasteful spending projects that occasionally—some might say more than occasionally—creep into our Federal appropriations process.

In the spirit of bipartisanship that I think the American people would like to see when confronting some of our biggest challenges, my hope would be that Members of this Congress—Members of this Senate—on a bipartisan basis, would support the very kind of bill this represents, and that they were advocating for when Senator Daschle, the Democratic leader, offered and sponsored with the support of at least 21 Democrats when President Clinton was in office.

I hold up a chart. I showed this yesterday, but I think it is worth looking at again. This chart is a comparison of the Daschle and Gregg expedited rescission amendments. You can see in all respects the Daschle amendment—here, again, Tom Daschle, the Senator from South Dakota, the leader of the Democrats in the Senate, offered an amendment which in all respects, except two—I will talk about that in a minute—is the same as Senator GREGG is proposing, the so-called second-look-at-wasteful-spending amendment.

The only two ways they differ is that the Gregg amendment does permit rescission of new mandatory spending. If you look at the places where money is being spent fastest in the Federal budget, it is in mandatory or entitlement

programs, which are going up at the rate of 8 percent or more a year, on autopilot. I applaud Senator GREGG for including a provision that permits rescission of new mandatory spending programs.

But that and permitting four rescission packages annually, those are the two areas where the Gregg amendment differs, albeit in a relatively minor way, from what Senator Daschle proposed in 1995.

You will see on this next chart, here is a list of the current Senate Democrats who supported the Daschle amendment in 1995. My hope would be, with this little refresher for our colleagues who actually supported this good policy back in 1995, that they would see fit to vote to close off debate and to actually have an up-or-down vote on the Gregg amendment.

As I said, if it was good policy in 1995, supported by these good Democratic colleagues, I think they would agree—I would hope they would agree—it is a good policy in 2007 or, if it is not, I would hope they would come to the floor and explain their change of heart because I think it would represent a change in position.

So this amendment goes to the heart of what I hear people express their concerns about most as I travel back in my State and as I read and listen to people's concerns, as expressed through the media, that Federal spending and our failure to be good trustees of the Federal tax dollar is one of their biggest concerns, along, obviously, with national security issues such as the war in Iraq. The other issue I hear a lot about—the President talked about it last night—is immigration reform.

Mr. President, I see the budget chairman on the floor, and I know he and Senator GREGG have committed to work on a bipartisan basis to try to deal with not just these issues, such as earmarks that abuse the public trust, and which somehow slip into our appropriations process, but to look at the larger picture and try to figure out how we can sustain some of the most important programs the American people have come to rely upon, things such as Social Security and Medicare, and that we not continue to spend in a way that imposes a financial burden for those programs on our children and grandchildren. That raises a profound moral issue that I believe we must confront.

So I do appreciate the efforts that are being made to try to deal with some of our hardest problems. I think there is a great opportunity provided here. Some might find this a little surprising for me to say being a Republican, but I think divided Government provides an opportunity for this body to do some very big and important and significant things. I do not think politics has to be a zero-sum game where Democrats win and Republicans lose, or Republicans win and Democrats lose in the public policymaking process. I think we can all win, and in so doing

the American people can win, if we will simply come together in a common-sense, result-oriented sort of way and try to solve some of these problems.

I think Senator GREGG's amendment picks up on the wisdom of Senator Daschle's amendment back in 1995. And I frankly would be perplexed if we were unable to get the kind of bipartisan support to close off debate, to have an up-or-down vote on the floor, and demonstrate to the American people that, you know what, we heard the message on November 7, and you know what, we get it. We understand what you were telling us. You wanted us to work together, and we are working together to try to solve some of our Nation's biggest problems.

We reserve the remainder of our time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. How much time remains on either side?

The PRESIDING OFFICER. The Senator from North Dakota controls 13 minutes, the Senator from Massachusetts controls 7½ minutes, and the Republicans control 11 minutes.

Mr. CONRAD. I thank the Chair. I ask the Chair to inform me when I have consumed 10 minutes.

Mr. President, I thank my colleague from Texas for his remarks about Senator GREGG and me and our proposal to try to work on the overall major challenges facing us, which are long-term fiscal imbalances that are especially affected by the entitlement programs and the baby boom generation and the existing structural deficit we confront. We are engaged in a good-faith effort to try to address these long-term challenges. We were at breakfast together yesterday discussing those. I appreciate the Senator from Texas mentioning that.

With respect to this specific proposal, I don't think it merits our support. In fact, it is a very serious mistake to go in this direction. This amendment is actually dangerous. I say that with great respect to the former chairman of the Budget Committee who has offered the amendment. I believe it is dangerous because this transfers power in a way the Founding Fathers did not envision and would not have supported. The power of the purse resides in the Congress of the United States because the Founding Fathers recognized that putting too much power in the hands of one person was a dangerous matter.

Here are the things that are wrong with this line-item veto proposal. I will go on to address the big differences between the Daschle proposal and this one, but here is what is wrong with this line-item veto proposal: It represents an abdication of congressional responsibility; it shifts too much power to the executive branch, with very little impact on the deficit; it provides the President up to a year to submit rescission requests; requires Congress to vote within 10 days; provides no opportunity

for extended debate; and allows the President to cancel new mandatory spending passed by Congress, such as those dealing with Social Security, Medicare, veterans, and agriculture. That is breathtaking power. In fact, we could have this negotiation that the Senator from Texas was referencing between Democrats and Republicans on what has to be done to the long-term circumstance with Social Security and Medicare, we could reach a bipartisan conclusion, and then the President would have the unilateral power to come back and cherry-pick those provisions he didn't like. No President should be given that power.

Let's talk about the line-item veto. This is what USA Today said in an editorial last year: It is a convenient distraction.

The vast bulk of the deficit is not the result of self-aggrandizing line items, infuriating as they are. The deficit is primarily caused by unwillingness to make hard choices on benefit programs or to levy the taxes to pay for the true costs of government.

This is an article from the Roanoke Times last year:

[T]he President already has the only tool he needs: The veto.

He has veto power. He can veto any one of these spending bills.

He has chosen not to veto a single one. That Bush has declined to challenge Congress in five-plus years is his choice. The White House no doubt sees reviving this debate as a means of distracting people from the missteps, miscalculations, mistruths and mistakes that have dogged Bush and sent his approval rating south.

The current problems are not systemic; they are ideological. A line-item veto will not magically grant lawmakers fiscal discipline and economic sense.

On the question of whether this has any effect on the deficit, this is the Acting CBO Director last year before the Congress, his testimony:

Such tools, however, cannot establish fiscal discipline unless there is political consensus to do so . . . In the absence of that consensus, the proposed changes to the rescission process . . . are unlikely to greatly affect the budget's bottom line.

This is from CQ, Congressional Quarterly, again of last year:

Passage of [the line item veto] legislation would be "a political victory that would not address long-term problems posed by growing entitlement programs," Gregg said.

Senator GREGG himself said this would be "a political victory that would not address long-term problems posed by growing entitlement programs."

He also said this last year in a separate publication:

Senator Gregg said it would have "very little impact on the budget deficit."

He is right. The impact it would have is to transfer enormous power to the President. I am not just talking about this President, I am talking about any future President.

This is what George Will, a conservative commentator, said:

It would aggravate an imbalance in our constitutional system that has been growing

for seven decades: The expansion of executive power at the expense of the legislature.

Here is what an American Enterprise Institute scholar said about the line-item veto last year:

The larger reality is that this proposal gives the President a great additional mischief making capability, to pluck out items to punish lawmakers he doesn't like, or to threaten individual lawmakers to get votes on other things, without having any noticeable impact on budget growth or restraint.

He went on to say:

More broadly, it simply shows the lack of institutional integrity and patriotism by the majority in Congress. They have lots of ways to put the responsibility on budget restraint where it belongs—on themselves. Instead, they willingly, even eagerly, try to turn their most basic power over to the President. Shameful, just shameful.

On the question of the previous Daschle proposal, the suggestion that they are the same is not true. They are fundamentally different. The context is totally different as well. The Daschle amendment was offered in juxtaposition to another line-item veto proposal that was clearly unconstitutional—in fact, was judged to be so by the U.S. Supreme Court. So the Daschle proposal was an attempt to defeat a proposal which was clearly unconstitutional and which has been subsequently judged unconstitutional.

But the further claim that the Gregg proposal before us now and the Daschle proposal are the same is clearly not correct. Let me ask three questions and give answers with respect to how the two differ.

Can the President propose to rescind new mandatory items such as Social Security and Medicare reforms? Under the Gregg proposal, yes; under the Daschle proposal, no. That is a profound difference. Can you imagine if we were to reach an accommodation and agreement on long-term differences on these mandatory programs—Medicare, Social Security, agriculture, veterans—and then the President has the unilateral ability to go change it? I don't think so. That is not a direction we should take if we are going to have good-faith negotiation.

No. 2, can the President propose rescissions from multiple bills in one rescissions package? Under the Gregg proposal, the answer to that question is yes. Under the Daschle proposal, the answer was no. Why does that matter? The President could take something that was very unpopular—for example, the bridge to nowhere—remember that? We had the debate last year about the bridge to nowhere. A handful of us voted against that bridge to nowhere, by the way. I voted against it. The President could have taken that proposal and combined it with a proposal that was important to an individual Member and that might have great merit, and he could combine the two and kill the one with the other.

Let's be blunt. The President would have the ability to call a Member or have his staff call a Member and say: Look, I have a very controversial judge

up there. I need your vote. And by the way, I am considering a project in your State that is critically important to you. I am going to have to line-item veto that. But I might be persuaded not to if I could have your support on this other matter. That is exactly what the Founding Fathers were concerned about—handing that kind of power to a President, that kind of power over an individual Member. That is a dangerous notion. It has been ruled unconstitutional in the past. I believe this would be ruled unconstitutional.

I thank the Chair and yield the floor. The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, I, too, would like to speak on the line-item veto amendment. This body has made a lot of progress in being much more transparent in how we spend America's money. We can see, if we look back over the last couple of weeks, that America appreciates what we have tried to do to take these earmarks or these pet projects or designated spending, whatever we call it, and make it available for every American to see. We could tell from our e-mails and letters and the reports in the media that this was something which made Congress look as if we were genuinely trying to be much more open and honest about how we spend America's money. The amendment before us now, what we refer to as the line-item veto or line-item rescission, would actually make this whole process much more accountable.

I was interested in hearing my colleague make his point that the President could take one good item and put it with a really bad item and send it over to us and force us to make a decision. But let's think about what the President's options are now. We can send thousands of earmarks over in a bill to the President, and he only has two choices—to take it or leave it, to take the whole thing or veto the whole thing—and work that has been done here and in the House for months either has to be accepted in total or thrown out in total. That doesn't make any sense.

I will use the exact argument my colleague did. We should not be able to package all this good with all this bad and try to force it down the President's throat without the ability to have the checks and balances, the discussions that are needed so the American people can see we have thoroughly vetted these ideas and we are spending their money wisely.

This line-item rescission package I support because this Congress needs the interaction with the President and the working relationship that would be caused by this particular bill. It allows the President, no more than four times a year, to go through our spending bills and to send those things back which he thinks are not national priorities. This is not real complicated. He does not veto what we send him; he just gets a recommendation in the process. And

since his agencies in the executive branch are charged with carrying this out and spending this money, the President needs to be engaged in the process in more than a take-it-or-leave-it type of relationship. So no more than four times a year, the President can put together those things which he thinks are not national priorities and send them to the Congress. And all this bill does is guarantee that they get a vote.

If the President tries to use this against individual Members, I know this body well enough to know that we are not going to pass his request.

Any President that tries to do that for political purposes will find his rescission package, or that his recommendations to Congress will be dispensed with very quickly.

This is important not only for this President but for many Presidents in the future. We know as Senators and Congressmen that over the next several decades this country is going to be faced with incredible fiscal crises. We have no idea how we are going to pay for Medicare and Medicaid in the future or Social Security. It is going to become more important every year that we cut wasteful spending and that we work with the President and with the House to do everything we can to cut those things that are not necessary.

In many bills—and we know it happens—many items, earmarks, are voted on for political reasons, and it is a good idea to allow the President to package those things and send them back to us so that we can vote on them and move them out if they are not national priorities.

This is not dissimilar at all to the BRAC process we created to eliminate unnecessary military bases. We found that Congressmen and Senators were not going to vote on an individual basis to eliminate a base in one State because we knew that then the Congressmen or Senators could vote to eliminate one in our State. It was a political dilemma that caused us for years to leave bases open that should have been closed.

It is the same with Federal programs and spending year after year. One project might be in my State and one in another Senator's State. None of us are willing to step up and eliminate projects one at a time. We cannot vote on them that way. This line-item rescission opportunity is for the President to take those things that we know are not national priorities, put them in a package, and send them back over for us to vote on. We should not lose this opportunity.

We need the President working with the Congress to eliminate wasteful spending—not this year or next year but for decades to come. This may be our only opportunity in a long time to make it happen. We have made tremendous progress on identifying the problems with corruption, wasteful spending, identifying earmarks, and all this

does is allow us to take it a step further and make sure we have the checks and balances from Congress and the executive branch to eliminate those things we know should not be in there and the President knows should not be in there.

Mr. FEINGOLD. Mr. President, I will oppose the amendment offered by our colleague, the senior Senator from New Hampshire, Mr. GREGG. I support the concept of what is called a "line item veto," more accurately described as an expedited Presidential rescission. But the proposal offered today has some fundamental flaws that prevent me from voting for it.

There are a number of problems with the amendment before us, but let me call the body's attention to two of these flaws. First, the proposal goes far beyond the supposed target of this newly proposed authority; namely, unauthorized earmarks. When the line item veto is discussed, invariably it is the unauthorized earmark that is held up as the principal rationale justifying this new Presidential authority, and rightly so. The explosion in unauthorized earmarks over the last decade and more is a strong argument in favor of providing the President with additional authority in this area. But the amendment before us goes far beyond targeting earmarks. The Gregg amendment would allow the President to use the proposed expedited rescission authority to eliminate new provisions of programs like Medicare and Social Security, hardly measures that anyone would consider an earmark.

Second, the proposal has too great a potential for political gaming. The amendment allows the President to wait a full year after initial enactment before submitting an expedited rescission. If we are going to craft new Presidential authority in this area, the goal ought to be to eliminate the potential wasteful spending, and to do so in a straightforward manner. There is no good reason for significant delay. Permitting the President to wait a year before submitting a proposed rescission opens the door for inappropriate use of potential rescissions as a political hammer to hold over individual Members.

Mr. President, as I noted earlier, I support granting the President some additional authority in this area, but we need to be especially careful in crafting that authority. The Gregg amendment, however well intended, needs substantial improvement, and until that is done, I will oppose it.

Mrs. MURRAY. Mr. President, I rise today to speak against the line-item veto. This misguided proposal will hurt the communities we are here to represent. It will strip them of the voice they have today in Congress through each of us, and it will hand even more legislative power to the executive branch.

As I saw in my own experiences, both here in the Senate and in the Washington State Legislature, a line-item

veto is subject to abuse, pressure and horse-trading, and it violates the delicate balance of power that the Founders so carefully designed.

Now I recognize that the idea sounds attractive. It suggests that we could cut spending and control the deficit without having to make any tough choices. Well, like a lot of ideas that sound good at first, once you look into it, the painful impact becomes clear.

More importantly, I think all of us need to do the hard work of crafting responsible budgets. We need to legislate and govern and take the needs of the country and our States into consideration. We need to make the tough decisions—not pass the buck to the White House.

I oppose the line-item veto today for the same reasons I opposed it in the 1990s. I voted against this gimmick when Congress handed that power to a Democratic President. And today I fight another attempt to hand that same power to a Republican President.

For me, it is not about the party of the Chief Executive; it is about making sure that the constituents I represent have a voice in the budget decisions that affect their lives. The line-item veto is the wrong approach for three reasons.

First, it would cede a tremendous amount of power from Congress to the executive branch. The Constitution is very clear that Congress has the power of the purse. The Framers of our Constitution carefully divided the powers of our Government between the three branches.

When Congress tried this before, it was ruled unconstitutional. This time around, the sponsors have tweaked the bill to try to address those concerns, but the underlying problem still remains. We should not be handing our legislative power over to the executive branch. I made that argument in 1995—and it is even truer today. We have seen the Bush administration aggressively try to expand Presidential power and limit congressional input and oversight. We should stand our ground as the Founders intended—not surrender our constitutional authority to the executive branch.

Second, the line item veto would hurt the constituents we represent. They rely on us to fight for their needs and priorities. Through the budget and appropriations process, we work to meet the needs in our local communities—needs that the administration would ignore. If we give up our ability to fight for our communities, our constituents will lose their voice because I can tell you, the communities we represent will not get fair consideration from a budget official sitting in Washington, DC.

Last week, a group of constituents came to see me about a local road that needs to be improved. The changes they are seeking will improve safety, support economic development, and provide access to critically needed housing. I represent that community,

so I know firsthand those improvements are needed. That community has me fighting for them and pushing for their needs. The administration is not going to do that. They are not going to send someone from Washington, DC to check out the road and see that it is unsafe. In fact, these constituents had just come from a meeting with an administration official who basically told them that, in regard to the continuing resolution, "Good luck, we will be making the decisions this year."

That is just wrong. If we hand this power to the administration, we will surrender our voices, and our constituents will lose their voices in advocating for their communities. The families I represent know that if they have a problem, they can come and talk to me. But if you tell them that they have to track down someone at OMB and convince them to care about their local needs, our communities will suffer.

I came to the Senate to represent the people of my home State of Washington. They elected me to be their voice on a wide array of issues affecting everything from their safety to their health, education, and economic well-being. I am not going to transfer my ability to fight for the people of Washington State to this or any other President. That is what this bill proposal would do, and I strongly oppose it.

Third, experience has shown that the line-item veto is subject to abuse and may be applied unfairly by an administration. I have experience with line-item veto authority. I served in my State legislature and saw firsthand the kind of horse-trading that can occur when the Executive has this power.

When President Clinton exercised the line-item veto in 1997, we saw serious problems in the way it was applied. The White House put forward standards for deciding which projects would be targeted. But then it attacked projects that actually met the standards. In 1997, I stood here on the Senate floor and detailed the mistakes the Clinton administration made in unfairly targeting projects for elimination. I don't want to see a repeat of those mistakes.

Mr. President, crafting a responsible budget takes hard work. It requires tough choices. There is no gimmick or trick that will make the hard decisions go away. Handing our power and our constituents' power over to the White House certainly won't do it. So I say, rather than spending our time on a distraction, let's work on a real budget and on the real and difficult choices that are before us.

Let's do the job that voters sent us here to do—without gimmicks and without trampling the Constitution.

Mrs. CLINTON. Mr. President, in crafting our delicate system of checks and balances, our Founding Fathers vested in Congress what is commonly referred to as the "power of the purse"—control over raising revenue and appropriating funds. While the virtue of Congress abdicating some of its

budget responsibility to the president is a subject of worthwhile debate, the construct of Senator GREGG's Second Look at Wasteful Spending Act of 2007 does little to return much needed fiscal discipline to our budget process. And while I support efforts to rein in our spending and to solve our Nation's budget woes, Senator GREGG's amendment would create a system far too susceptible to abuse.

The Gregg amendment's weakness is in its construction. Up to four times a year, the President could package his or her proposed rescissions in any manner he or she chooses, selecting and combining provisions from any number of bills. Among the Gregg amendment's most significant flaws are the time-tables it imposes. The amendment would give the President up to 1 full year after enactment of a provision to submit a rescission request. Even in the event that Congress rejects the President's request, the legislation still gives the President the power to defy the congressional vote and withhold spending for a program for up to 45 days. This formulation would effectively allow a President to hold hostage spending measures and force congressional votes on new bundles of spending provisions, injecting chaos into our budget process and wreaking havoc in countless other ways.

There is no debate that we need to curb our spending. The Bush administration has run up a record debt and an unprecedented deficit, endangering our Nation's long-term financial health and our children's future. Unfortunately, as noted by the nonpartisan Congressional Budget Office, Senator GREGG's amendment does little to return much needed fiscal discipline to our budget process. I am open to considering a different proposal, keeping in mind that what we need is measured reform coupled with strong leadership that will exercise fiscal responsibility.

Mr. ENZI. Mr. President, I rise today in support of Senator GREGG and Senator MCCONNELL's "Second Look at Wasteful Spending" amendment. While I would prefer that this issue be addressed on a separate bill, I understand the procedural reasons behind why my colleague from New Hampshire is offering this amendment to the minimum wage package. I am treating this amendment as separate from the rest of the minimum wage debate and I hope my colleagues will do the same. I am pleased, however, that the Senate is able to debate this important issue on the floor.

This amendment is a responsible step towards spending accountability. It provides for a greater level of accountability which is critical to enhance the fiscal well-being of the country. Senator GREGG's proposal allows both Congress and the President the opportunity to seriously reconsider both mandatory and discretionary spending. By allowing the President to single out wasteful spending and giving Congress the final say through vote on a rescis-

sion package, this amendment will help eliminate waste, rather than perpetuate the current out of control spending habits.

By forcing Congress to take another look at spending, this amendment gives the President the ability to send up to four rescission packages a year. Congress then has up to 8 days to act on the President's proposal through a fast track process. However, a simple majority of both Houses of Congress must approve before any of the rescission package can become law. Finally, any savings from the rescissions must go to deficit reduction.

I believe that "A Second Look at Wasteful Spending" is a simple, clear-cut proposal that stands within the parameters of the U.S. Constitution. This amendment includes the same principles of fiscal responsibility that have received bipartisan support since the passage of a comprehensive veto in 1992, and strongly echo the Daschle-Byrd proposal of 1995. Here is a chance for both Republicans and Democrats to help restrain frivolous spending.

I emphasize the gravity of fiscal responsibility because it sets the standard for the success or failure of our Nation. We need to take action now to avert an even larger economic crisis in the future. "A Second Look at Wasteful Spending" is a step in the right direction, though there is more work to be done. Many of my colleagues in this Chamber have supported this concept in the past, and I urge my colleagues to support the Gregg amendment.

As I stated in my maiden speech in 1997, the American people continue to demand an end to runaway spending. We need to show the American people that we are responsible. I said those words about the balanced budget amendment in 1997, and they also hold true for this amendment today. By adopting the "Second Look at Wasteful Spending," we would show that Congress is willing to take a much needed step toward fiscal restraint.

I stand in full support of this amendment and am proud to be a cosponsor. This outstanding amendment is worthy of your consideration and support.

Mr. MCCAIN. Mr. President, I am pleased to join Senator GREGG and others in supporting this fiscally responsible amendment to provide the President authority to perform rescissions to legislation passed by Congress. Congress would then be required to review the President's recommendation within 8 days and affirm or reject the recommendation. Additionally, this amendment correctly requires the money from rescissions to be put toward deficit reduction.

Congress has grappled with the issue of providing the President with line-item veto or rescission authority since the original law was overturned by the Supreme Court in 1998. In the last Congress, there were at least eight bills introduced, including one I authored, attempting to provide the President with the authority to review and reject ob-

jectionable sections of legislation passed by Congress. It is my hope that during the 110th Congress we will provide the President with this important tool to combat porkbarrel spending and to reduce the deficit.

Just last night, President Bush delivered the annual State of the Union Address in which he stressed the need to impose spending discipline here in Washington by cutting the number earmarks. He is not the only President to address the country about the need to curtail wasteful porkbarrel spending.

In 1988, during his final State of the Union Address, President Ronald Reagan discussed the growth of earmarks and asked for line-item veto authority for future Presidents. On that evening, President Reagan carried with him three pieces of legislation: an appropriations bill that was 1,053 pages long and weighed 14 pounds; a budget reconciliation bill that was 1,186 pages long and weighed 15 pounds; and a continuing resolution that was 1,057 pages long and weighed 14 pounds.

In reference to the continuing resolution, President Reagan chided Congress, stating, "Most of you in this Chamber didn't know what was in this catch-all bill and report." President Reagan then explained that millions of dollars for items such as cranberry research, blueberry research, the study of crawfish, and the commercialization of wild flowers were included in the continuing resolution "tucked away behind a little comma here and there."

In 1987, Ronald Reagan vetoed a highway bill because it had 157 earmarks. In the last Congress, a highway bill with 6,371 special projects costing the taxpayers \$24 billion was enacted, despite my strong opposition. Those and other earmarks passed by Congress included \$50 million for an indoor rainforest, \$500,000 for a teapot museum, \$350,000 for an Inner Harmony Foundation and Wellness Center, and \$223 million for a "Bridge to Nowhere."

Unfortunately, this earmarking has not been limited to the highway bill. Nothing can compare to the out of control earmarking that has occurred in the annual appropriations measures during recent years. According to data gathered by Congressional Research Service, there were 4,126 earmarks in 1994. In 2005, there were 15,877—an increase of nearly 400 percent. There was a little good news in 2006, solely due to the fact that the Labor-HHS appropriations bill was approved almost entirely free of earmarks—an amazing feat given that there were over 3,000 earmarks the prior year in that bill. Despite this first reduction in 12 years, it doesn't change the fact that 2004, 2005, and 2006 produced the greatest number of earmarks in history.

Now, let's consider the level of funding associated with those earmarks. The amount of earmarked funding increased from \$23.2 billion in 1994 to \$64 billion in fiscal year 2006. Remarkably, it rose by 34 percent from 2005 to 2006, even though the number of earmarks

decreased. Earmarked dollars have doubled just since 2000 and more than tripled in the last 10 years. This is wrong and disgraceful, and we urgently need to curtail this seemingly out of control porkbarreling practice that has become the norm around here.

President Reagan would be deeply disturbed to know that almost 20 years later, the size of spending bills has gotten much, much larger as we put more money toward porkbarrel projects. These earmarks have allowed the national debt to grow from over \$5 trillion when President Reagan left office in January 1989 to over \$8 trillion today. These statistics demonstrate clearly that the need for rescission authority is much greater than when President Reagan was in office.

President Reagan said to Congress during his 1988 State of the Union Address, "Let's help ensure our future of prosperity by giving the President a tool that, though I will not get to use, is one I know future Presidents of either party must have. Give the President . . . the right to reach into massive appropriation bills, pare away the waste, and enforce budget discipline." This amendment would do just that. It would provide the President authority to identify wasteful items of spending and move to eliminate them from the Federal budget. This would be a significant and, unfortunately, all too rare move in Washington, DC, toward fiscal discipline.

Rescission authority alone is not the solution to the fiscal crisis we face in our Nation's Capitol. We also desperately need to reform our earmarking process and our lobbying practices and the legislation the Senate passed last week makes a number of positive improvements in those areas. But above all, we must remember that it is ultimately Congress's responsibility to control spending. However, granting the President line-item veto authority would go a long way toward restoring credibility to a system ravaged by congressional waste and special interest pork.

I urge my colleagues to support the Gregg amendment.

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

Mr. GREGG. Mr. President, what is the time status?

The PRESIDING OFFICER. The Senator has 4 minutes 45 seconds.

Mr. GREGG. And the other side?

The PRESIDING OFFICER. They have 9½ minutes.

Who yields time?

Mr. KENNEDY. Mr. President, I understand we have 7½ minutes; is that correct?

The PRESIDING OFFICER. The Senator from Massachusetts has 7½ minutes.

Mr. CONRAD. Mr. President, will the Chair inform me how much time is left on the Republican side?

The PRESIDING OFFICER. Four and three-quarter minutes.

Mr. CONRAD. Would the Senator from Massachusetts like to go first?

Mr. KENNEDY. I would like to wait. I yield to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I urge my colleagues to oppose cloture on this matter. I think this is a well-intentioned amendment, but it does virtually nothing about the deficit. What it does do is transfer power from the Congress of the United States to the White House. What it will set up, I say to my colleagues, with this President perhaps, and with some future President for certain, is a circumstance in which the President will be able to leverage Members of this body on completely unrelated issues because of his unchecked power to line-item veto provisions in appropriations bills.

That is a profound mistake for this body. The Founding Fathers set up this separation of power very carefully. They put the power of the purse in the Congress. They did that because they were concerned about the extraordinary power that the Kings had in Europe. They never wanted to replicate that here.

Mr. President, that is exactly the formula that has helped America be the preeminent power in the world—the strongest economic power and the strongest military power. We should not alter that relationship by granting this increased power to this President or any future President.

I urge my colleagues to oppose cloture.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, I wonder if the Senator from Massachusetts would give me the courtesy of closing the debate since it is my amendment.

Mr. KENNEDY. Mr. President, I thought it was about our debate on the minimum wage, but that is fine. I have 7½, and the Senator has how much?

The PRESIDING OFFICER. The Senator from Massachusetts has 7 minutes, and the other side has a little over 4½ minutes.

Mr. KENNEDY. Mr. President, I ask the Chair to let me know when I have a minute and a half.

The PRESIDING OFFICER. The Chair will do so.

Mr. KENNEDY. We are at a very important moment for millions of working families in this country. It has been 10 long years since we have seen an increase in the minimum wage. During that period of time, I don't think anybody in this body could really understand the kind of pain and sacrifice these families have experienced and the kind of anxiety they have had every day, wondering if they are going to be able to provide for themselves and their families, and particularly for their children.

I welcome the fact that it was our Democratic leaders who have this now before the Senate. We had a majority in the Senate for an increase, but we had the opposition of Republican lead-

ership in the Senate and also in the White House. But now we have had 80 Republicans in the House of Representatives voting for a stripped-down bill. That is a reflection of the bipartisanship we used to have.

We have seen historically where we had both Republican and Democratic Presidents who fought for an increase, including Presidents Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Carter, the first President Bush, and Bill Clinton. That is the roster of American Presidents in the postwar period. But we have had the strong opposition of this President and the Republicans. Its impact has been devastating on families.

If you look at what has happened to families, you will find out that the purchasing power of the minimum wage over the period of these recent years has just collapsed—almost to the lowest point it has ever been in terms of purchasing power. Look into the sixties, seventies, and the 1980s. With the Democrats in power, with the help of some Republicans, we helped keep it up. It was at the poverty level and it collapsed in recent years and we are trying to get it up to \$7.25. That is still not adequate; nonetheless, it will make a big difference to working families, the 41 million Americans—28 percent—who work more than 40 hours a week. Nearly one in six workers work more than 50 hours a week. People are working longer and harder than ever before.

If you look at what is happening in the industrial nations, look at the United States, we have increased more than any other industrial nation in the world. What happened? The wages of the poorest of the poor who are out there working 40 hours a week have collapsed, and what happened? They have been working longer and harder than ever before.

What has been happening? They increased productivity for the American economy. Look at the past, where you had productivity and the minimum wage related year after year. But not now. We have seen the explosion of productivity, but do you think any of that has been passed on to hard-working people? Absolutely not. We are not going to let those who increased the productivity of the American economy share in it. That has not been the case.

We also see the continued loss of workers. What has happened on the other side? Who has gotten the increase in the productivity. Imagine who: corporate profits grew 65 percent more over this period of time. They are the ones who have taken the benefit of the productivity. It used to be shared between the workers and corporations. Not anymore. They have been the ones who have opposed the increase in the minimum wage.

We have seen what happened, as I pointed out, when we had productivity related to the minimum wage. We saw that the minimum wage was at the poverty level, and now we have seen it virtually collapse. What has been the

impact on the American families? We have now seen that 4.1 million more American families have gone into poverty since 5 years ago. And, naturally, we have seen an increased number of children who have gone into poverty; 1.2 million more children have gone into poverty over the last 5 years, with no raise in the minimum wage.

Increased numbers of families are struggling and working hard, working longer and harder than in any other industrial nation in the world, and still they cannot get out of poverty. As a result, we find this extraordinary achievement in the United States of America, and we have the highest poverty rate of children of any industrialized nation in the world. The list goes on.

We can see this is reflected in the increased number of individuals who are suffering in terms of hunger in our country. You can go to food banks in my city of Boston—and we have food banks throughout Massachusetts and you hear the same thing. We are having to give more assistance to families who are working, and more and more of those are children living in poverty. It doesn't have to be this way. We are not going to answer all of the problems of poverty with this increase. We are telling hard-working Americans who work hard and take pride and produce that we in the Congress at this time are going to give you a very modest raise. They are entitled to it. It is saying to proud men and women who are doing a decent job that we recognize that and we believe in a society where people move along together.

This is going to make a difference to children in our society because so many children are the children of individuals who work hard and are working at minimum wage. It will make a difference to women because the great majority of people who benefit from the minimum wage are women. So it will benefit women, and it will benefit children, and those people who go into the entry level, men and women of color who are getting a job. This is a family issue, a values issue, an American issue, and it is a fairness issue.

That is why we want to have a strong vote here with the bare bill that sends a very clear message: \$7.25 an hour for working families is not too much in the richest country in the world.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I thank the Senator for allowing me to proceed in this manner. I think people listening may get confused. In our discussions, the Senator from Massachusetts is addressing the second cloture vote. I am addressing the first one. The second one addresses the issue of minimum wage. I am talking about the second look at the waste amendment, or enhanced rescission amendment, which is the first cloture vote.

This is not a line-item veto. That pejorative is being thrown at it by people who think the line-item veto is inap-

propriate and transfers too much power to the President. That was settled in the 1990s when President Clinton was given it, and then it was ruled unconstitutional. This is the daughter of Daschle amendment. It is essentially rescission language that allows us to take a second look at waste and mismanagement that may occur as a result of earmarks being put in omnibus bills.

We talk around here about earmarks and the inappropriateness of some of them. This is another opportunity for us to look at inappropriate earmarks and to eliminate waste as a result of that. It tracks very closely the Daschle language.

The Senator from North Dakota mentioned three areas where it differs from the Daschle language. I don't think any of those three areas are substantive.

The first was on the issue of entitlements. Of course, entitlements have to be on the table. The argument that for some reason a global agreement on entitlements is going to be undermined by this opportunity to take a second look at wasteful spending is a total straw dog. No such global agreement would be reached unless this language was also addressed and the question of the President's power was addressed.

Secondly, the idea that a packaging of rescissions will put undue pressure on Members to vote for a bad rescission in favor of a good rescission because they will be put together is totally specious or inaccurate because of the fact that the motion to strike is retained so that packages can be broken up.

As I said earlier, I am going to take the 300 days, if we get this to the amendment process, and move it back to 30 days, so that is not an issue either.

This is a question of how we better manage the taxpayers' dollars. It is that simple. There is no reason why we should allow inappropriate spending to be buried in omnibus bills, as mentioned by the Senator from South Carolina, and then never have an opportunity to go back and take a look at that inappropriate spending.

It is such a logical idea that it was voted for by 37 Members of the Democratic Party the last time it was on the floor, 20 of whom still serve in the Senate. Individuals who voted for essentially this exact proposal—not exact, but it is so close it is hard to differentiate—are still serving in the Senate.

I hope those individuals will vote for cloture so that we can move on and do this very significant piece of reform.

Is it going to dramatically affect the deficit? I have said it isn't. What it is going to do is give us an opportunity to effectively address waste mismanagement and inappropriate earmarks that will help the deficit because I put the money toward the deficit. I acknowledge it is not going to be dramatic sums, but it is better management of the American taxpayers' money, and that is our goal.

It is not unconstitutional. It does not have a constitutional issue with it. It has been addressed. In fact, it is a proposal that is so reasonable in the area of constitutionality that Senator BYRD, the last time this proposal was put forward, said:

I have no problem with giving the President another opportunity to select from appropriation bills certain items which he feels, for his reasons, whatever they may be, they may be political or for whatever reasons, I have no problem with his sending them to the two Houses and our giving him a vote.

He is being reasonable. It is a reasonable approach. The idea is simply to allow the President to say to us: Listen, I looked at this bill; it is spending \$400 billion or \$500 billion. There is some money in here that I don't think should be spent. Why don't you take another look at this, Congress, and if either House says no, we are going to spend that money, they can spend it, or if either House strikes an item, it gets struck and it is not part of the rescission package.

This is good management. It has been voted out of this Senate before. I hope it will be voted out again.

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

The PRESIDING OFFICER. Time is up.

Mr. GREGG. Mr. President, I guess I will end my statement and ask people to vote for cloture.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The bill clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending Gregg amendment No. 101 to the substitute amendment to H.R. 2, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

Harry Reid, Mitch McConnell, Judd Gregg, Craig Thomas, John E. Sununu, James Inhofe, Jon Kyl, Johnny Isakson, Tom Coburn, Mike Crapo, Wayne Allard, Lamar Alexander, John Cornyn, Jim Bunning, John Ensign, David Vitter, Bob Corker.

The PRESIDING OFFICER (Ms. KLOBUCHAR). By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on amendment No. 101, offered by the Senator from New Hampshire, Mr. GREGG, an amendment to provide Congress a second look at wasteful spending by establishing enhanced rescission authority under fast-track procedures, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. CARPER) and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senator was necessarily absent: the Senator from Kansas (Mr. BROWNBACK).

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

The result was announced—yeas 49, nays 48, as follows:

[Rollcall Vote No. 22 Leg.]

YEAS—49

Alexander	Dole	McCain
Allard	Domenici	McConnell
Bayh	Ensign	Murkowski
Bennett	Enzi	Roberts
Bond	Graham	Sessions
Bunning	Grassley	Smith
Burr	Gregg	Snowe
Chambliss	Hagel	Specter
Coburn	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Thomas
Collins	Isakson	Thune
Corker	Kyl	Vitter
Cornyn	Lieberman	Voinovich
Craig	Lott	Warner
Crapo	Lugar	
DeMint	Martinez	

NAYS—48

Akaka	Feinstein	Nelson (FL)
Baucus	Harkin	Nelson (NE)
Biden	Inouye	Obama
Bingaman	Kennedy	Pryor
Boxer	Kerry	Reed
Brown	Klobuchar	Reid
Byrd	Kohl	Rockefeller
Cantwell	Landrieu	Salazar
Cardin	Lautenberg	Sanders
Casey	Leahy	Schumer
Clinton	Levin	Shelby
Conrad	Lincoln	Stabenow
Dodd	McCaskill	Tester
Dorgan	Menendez	Webb
Durbin	Mikulski	Whitehouse
Feingold	Murray	Wyden

NOT VOTING—3

Brownback	Carper	Johnson
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The PRESIDING OFFICER. On this vote, the yeas are 49, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader is recognized.

Mr. REID. Madam President, I move to reconsider and table that vote.

The motion to lay on the table was agreed to.

Mr. REID. I ask unanimous consent that prior to this vote there be 2 minutes for debate equally divided.

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

Who yields time?

Mr. KENNEDY. Madam President, what is the issue now that is before the Senate?

The PRESIDING OFFICER. There is now 2 minutes of debate before the vote on the cloture motion on H.R. 2, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

Mr. KENNEDY. I yield myself 1 minute.

Madam President, we have the opportunity for the first time in 10 years to pass an increase in the minimum wage that will affect a million of our fellow citizens. The workers who work for the

minimum wage are people of dignity. They take pride in their work. They work hard and try to do a job.

This is a women's issue because the great majority of those who work and receive the minimum wage are women. It is a children's issue because so many of those women have children. Therefore, it is a family issue, it is a value issue, and it is a civil rights issue, because so many of those who enter with the minimum wage are men and women of color. Most of all, it is a fairness issue. In the United States of America, we understand fairness. With the strongest economy in the world, for men and women who are going to play by the rules, work 40 hours a week, they should not live in poverty in the United States of America.

Vote yea on this amendment and we will make a downpayment in bringing children, women, and others out of poverty in this Nation.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, for those who have been listening for the last 2 days, the argument has not been about whether we would raise the minimum wage. There seems to be agreement to raise the minimum wage. The difficulty has been how do we take care of some of the impact to small business that will result.

The Senator from Massachusetts, Mr. KENNEDY, has mentioned that the last time we passed the minimum wage, there was a small business tax package in it. That somewhat set a little different level for doing this kind of action. Incidentally, it was Senator Simpson from Wyoming who headed up that effort at that time.

This bill could have happened earlier if we had some assurance that there was going to be this tax package. I congratulate the Senator from Montana, Mr. BAUCUS, and the Senator from Iowa, Mr. GRASSLEY, for the way they have worked together and the way their committee worked together to put together a tax package that will benefit small business and reduce some of the impacts of the increase in minimum wage. The minority just needs some kind of a sense that will be a part of the bill, and we can move forward with the whole thing. We are trying to make sure we don't put the mom-and-pop businesses and their employees out of work and their services lost to the community.

Madam President, I ask unanimous consent to submit a letter from the Coalition For Job Opportunities supporting it.

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

COALITION FOR JOB OPPORTUNITIES,
January 23, 2007.

U.S. Senate,
Washington, DC.

DEAR SENATOR: As members of the Coalition for Job Opportunities (COJO), we are writing in opposition to the cloture motion filed on H.R. 2 which calls for a federal minimum wage increase to \$7.25/hour without

any offsetting small business tax provisions. We are very concerned that this 41% increase to the starting wage would severely impact small businesses and cost our economy jobs. While no package of small business measures can completely mitigate the negative impact of a wage hike, we are supportive of the small business tax package approved unanimously in committee last week and believe it must be included with the wage proposal before the Senate.

A mandated wage hike of this magnitude will cause many small employers to make difficult staffing decisions, in terms of eliminating current positions and postponing plans to create new ones. Due to the last minimum wage increase, our economy experienced significant job losses across multiple sectors.

Many small businesses operate under a very small profit margin, and a 41% mandated wage hike would have a severe impact on employers at a time they are experiencing other difficult cost challenges. Small employers continue to face steady double-digit health care premium increases, and rising energy costs have also had an impact. Just this month, it was reported that commercial electricity prices have risen nearly 10% during the first 10 months of 2006.

We urge you to strongly consider the vital role that small employers play in our economy as job providers. An increase in the starting wage will stifle job creation, directly affecting employment opportunities for low-skilled, entry level workers. We therefore urge you to oppose this mandated wage increase and to allow market forces to create and sustain more jobs.

Sincerely,

National Restaurant Association, National Federation of Independent Business, National Retail Federation, National Association of Convenience Stores, American Hotel and Lodging Association, American Beverage Licensees, Bowling Proprietors' Association of America, Coalition of Licensed Beverage Associations, Food Marketing Institute, International Association of Amusement Parks and Attractions, International Foodservice Distributors Association, International Franchise Association, International Pizza Hut Franchise Holders Association, Kentucky Fried Chicken Franchisee Association, National Association of Chain Drug Stores, National Association of Theatre Owners, National Club Association, National Council of Agricultural Employers, National Council of Chain Restaurants, National Franchise Association, National Grocers Association, Printing Industries of America, Small Business & Entrepreneurship Council, Society of American Florists, Tire Industry Association.

U.S. HISPANIC CHAMBER OF COMMERCE,
Washington, DC, January 23, 2007.

DEAR SENATOR: The U.S. Hispanic Chamber of Commerce, as the nation's leading voice for over 2 million Hispanic-owned businesses and over 200 chambers nationwide, urges your support for providing significant small business tax relief as a key component of S. 2, the Minimum Wage Act of 2007.

Small and disadvantaged businesses create 75 percent of new U.S. jobs annually, but they are also responsible for the majority of job losses each year. These important statistics demonstrate why we must provide assistance to these struggling businesses. According to the Small Business Administration, 590,000 new businesses were established in 1998, and 565,000 of them employed fewer than 20 workers. However, 541,000 firms went

out of business that year, and more than 94 percent of them had 20 workers or less. Small businesses already encounter a growing number of rising costs for doing business such as double digit health care premium increases and increased energy costs.

As an organization that understands and represents the interests and concerns of Hispanic-owned businesses, we urge you to provide a comprehensive response that includes small business tax relief as an integral part of this legislation. We look forward to working with you to achieve this goal.

Sincerely,

DAVID C. LIZARRAGA,
Chairman, Board of Directors.
MICHAEL L. BARRERA,
President and CEO.

NFIB,
January 22, 2007.

Sen. HARRY REID,
Majority Leader, U.S. Senate,
Capitol Building, Washington, DC.
Sen. MITCH MCCONNELL,
Republican Leader, U.S. Senate,
Capitol Building, Washington, DC.

DEAR MAJORITY LEADER REID AND REPUBLICAN LEADER MCCONNELL: On behalf of the National Federation of Independent Business (NFIB), the nation's leading small-business advocacy group, I am writing to urge you to include critical small-business relief as part of any minimum-wage legislation that passes the U.S. Senate.

During Senate consideration of H.R. 2, a bill that raises the minimum wage by \$2.10, please be mindful that small-business owners oppose the wage hike because it would leave them with fewer choices in how they compensate their employees and when they decide to hire new ones. Wage hikes historically have had a negative impact on certain industries that offer the most entry-level jobs—including restaurants, grocery, and retail stores—many of which are run by small-business owners.

We were encouraged that the Senate Finance Committee took an important step in this debate by passing the Small Business and Work Opportunity Act of 2007. This bill contains growth-oriented tax relief that allows small businesses to invest and stay competitive. We hope that you can continue in this direction during debate on the floor.

In addition, should you decide to consider any additional revenue offsets, I hope you will be mindful of the consequences of any tax increases on small businesses. While revenue offsets may serve to restrain fiscal spending, any other possible burdens on small businesses—in addition to the wage hike—will be harmful to the continued growth of this very important industry.

Thank you for your leadership on this issue, and we look forward to working with you as the 110th Congress moves forward.

Sincerely,

DAN DANNER,
Executive Vice President.

NATIONAL RESTAURANT ASSOCIATION,
January 23, 2007.

DEAR SENATOR: On behalf of the National Restaurant Association and the 935,000 restaurant locations nationwide, we are writing in opposition to cloture on H.R. 2 the underlying minimum wage bill which does not include the small business tax package unanimously approved in committee last week. Our association cannot support a wage increase given its impact on jobs in our industry, and we strongly believe that any minimum wage increase must include small business tax relief in order to mitigate the negative impact of a mandated wage hike. The cloture vote on the underlying "clean" minimum wage bill will be considered a "key

vote" by the National Restaurant Association.

Restaurants are acutely impacted by an increase to the starting wage, and it is important to protect the jobs our industry provides. Nearly half of all adults have worked in the restaurant industry at some point during their lives, and 32 percent of adults got their first job experience in a restaurant. For many, restaurant jobs lead to management and ownership opportunities: 8 out of 10 salaried employees have started as hourly employees.

The restaurant industry plays a critical role in providing jobs to the U.S. economy. By the year 2017, we are expected to create an additional 2 million positions. If we are to fulfill this expectation, we urge you to include relief targeted to those industries that pay the starting wage.

We urge you to oppose cloture on the underlying base minimum wage bill (H.R. 2). The cloture vote on H.R. 2 will be treated as a key vote by the National Restaurant Association.

Sincerely,

STEVEN C. ANDERSON,
President and Chief Executive Officer.
JOHN GAY,
Senior Vice President, Government Affairs
and Public Policy.

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

Mr. ENZI. I ask my colleagues to vote no on cloture.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order and pursuant to rule XXII, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close the debate on Calendar No. 5, H.R. 2, providing for an increase in the Federal minimum wage.

Ted Kennedy, Barbara A. Mikulski, Daniel Inouye, Byron L. Dorgan, Jeff Bingaman, Frank R. Lautenberg, Jack Reed, Barbara Boxer, Daniel K. Akaka, Max Baucus, Patty Murray, Maria Cantwell, Tom Harkin, Debbie Stabenow, Robert Menendez, Tom Carper, Harry Reid, Charles Schumer, Richard Durbin.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on H.R. 2, a bill to amend the Fair Labor Standards Act of 1938, to provide for an increase in the Federal minimum wage, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. CARPER) and the Senator from South Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senator was necessarily absent: the Senator from Kansas (Mr. BROWNBACK).

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

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 23 Leg.]

YEAS—54

Akaka	Feingold	Nelson (FL)
Baucus	Feinstein	Nelson (NE)
Bayh	Harkin	Obama
Biden	Inouye	Pryor
Bingaman	Kennedy	Reed
Boxer	Kerry	Reid
Brown	Klobuchar	Rockefeller
Byrd	Kohl	Salazar
Cantwell	Landrieu	Sanders
Cardin	Lautenberg	Schumer
Casey	Leahy	Snowe
Clinton	Levin	Specter
Coleman	Lieberman	Stabenow
Collins	Lincoln	Tester
Conrad	McCaskill	Warner
Dodd	Menendez	Webb
Dorgan	Mikulski	Whitehouse
Durbin	Murray	Wyden

NAYS—43

Alexander	Domenici	McCain
Allard	Ensign	McConnell
Bennett	Enzi	Murkowski
Bond	Graham	Roberts
Bunning	Grassley	Sessions
Burr	Gregg	Shelby
Chambliss	Hagel	Smith
Coburn	Hatch	Stevens
Cochran	Hutchison	Sununu
Corker	Inhofe	Thomas
Cornyn	Isakson	Thune
Craig	Kyl	Vitter
Crapo	Lott	Voinovich
DeMint	Lugar	
Dole	Martinez	

NOT VOTING—3

Brownback	Carper	Johnson
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The PRESIDING OFFICER. On this question, the yeas are 54, the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Madam President, the time is moving on. If people wish to offer amendments, this is the time to do it. I know there are Members tied up in committees. If someone feels strongly about an amendment, someone managing on the minority side can offer it, someone here can offer amendments for the majority, if there are amendments they wish to offer and simply can't be here. We would like to get this set up so we can start voting on amendments. Vote on a Democrat amendment, a Republican amendment or vice versa. Let's move on.

Some of these votes are not pleasant. They are tough votes. That is why we are here. The sooner we move to start voting, the better off we are going to be. If it comes to a period in the next 24 hours that Members are not going to offer amendments, there is little alternative but I will have to offer another cloture motion.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Let me say to my good friend, the majority leader, there are two Senators, Senator ALLARD and Senator SMITH, in the Chamber prepared to offer amendments now.

I concur with him. Those who have amendments should come forward and offer them. We have two Republican Senators ready to do that as we speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Madam President, I ask unanimous consent to be able, after Senator SMITH and Senator ALLARD have offered their amendments, and also Senator REED, who was here earlier than I, to be able to offer a bipartisan amendment on a matter of critical importance to all from timber-producing States that deals with funding for schools and roads. I ask unanimous consent to be able to offer that bipartisan amendment after Senator SMITH has offered his amendment, after Senator ALLARD has offered his amendment and after Senator REED has had an opportunity to speak.

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

The Senator from Oregon is recognized.

AMENDMENT NO. 113 TO AMENDMENT NO. 100

Mr. SMITH. Madam President, I call up amendment numbered 113, and I ask for its immediate consideration.

The PRESIDING OFFICER. The pending amendment is set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH] proposes an amendment numbered 113.

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

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

The amendment is as follows:

AMENDMENT NO. 113

(Purpose: To make permanent certain education-related tax incentives)

At the appropriate place, insert the following:

SEC. ____ . PERMANENT EXTENSION OF CERTAIN EDUCATION-RELATED TAX INCENTIVES.

(a) REPEAL OF SUNSET ON AFFORDABLE EDUCATION PROVISIONS.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to title IV of such Act (relating to affordable education provisions).

(b) PERMANENT EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.—Subparagraph (D) of section 62(a)(2) of the Internal Revenue Code of 1986 is amended by striking “In the case of taxable years beginning during 2002, 2003, 2004, 2005, 2006, or 2007, the deductions” and inserting “The deductions”.

Mr. SMITH. Madam President, I rise today to offer an amendment to H.R. 2, the Fair Minimum Wage Act. My amendment would make permanent existing education tax benefits that are set to expire in the near future.

I am a big supporter of the Republican progrowth tax policies that have been implemented over the past few years. These policies have had a tremendous impact on our economy. Since August 2003, more than 7.2 million jobs have been created.

Our unemployment rate remains low at 4.5 percent, which is well below the 5.1 percent average rate for 2005, and below the average of each of the past four decades.

And thanks to our strong economic growth, tax revenues continue to pour in. Tax receipts in December were \$18 billion higher than a year earlier.

My amendment focuses on an important component of the Bush tax cuts—education tax benefits. This amendment would make permanent a number of important tax provisions that make it easier for Americans to save for college and pay for their children’s education expenses.

Educating our citizens is critical if we want to remain competitive in the global economy. But as tuition costs continue to escalate, it has become more and more difficult for American families to cover these expenses on their own.

The education tax benefits that have been enacted over the past few years will help American families meet these obligations. Therefore, it is important that we don’t let these tax benefits expire.

My amendment would make permanent the deduction for qualified tuition and related expenses which is set to expire at the end of 2007. The 2001 tax act created this new deduction which allows middle-income Americans to take a deduction for higher education expenses of up to \$4,000.

In 2004, over 4.5 million American families took advantage of this deduction. And in my home state of Oregon, almost 65,000 families used the deduction.

In addition, if certain requirements are satisfied, an employee can exclude from gross income up to \$5,250 annually of educational assistance provided by an employer. This exclusion applies to both graduate and undergraduate courses.

Because of this favorable tax treatment, many employers provide their employees with educational assistance. However, the exclusion will not be available after December 31, 2010. My amendment would make this provision permanent.

Coverdell education savings accounts are an important tool for Americans to save for future education expenses. The 2001 tax act made a number of reforms to enhance these accounts. For example, it increased the annual contribution limit to \$2,000 from \$500 and expanded the definition of qualified expenses to include elementary and secondary school expenses.

However, like the exclusion for employer provided educational assistance, these enhancements expire after 2010. My amendment would make these enhancements permanent.

Finally, the recently enacted tax extenders package extended the deduction for educator expenses through 2007. This provision provides a \$250 per year above-the-line deduction for teachers for expenses paid for supplies, such as books and computer equipment.

Teaching is one of the most important professions in our society. And this provision provides teachers with a

little help in purchasing the supplies they need to be good teachers.

In Oregon, over 33,000 teachers benefited from this deduction in 2003. And my amendment would make this provision permanent.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

AMENDMENT NO. 116 TO AMENDMENT NO. 100

Mr. ALLARD. Madam President, I ask unanimous consent the pending amendment be set aside and I call up amendment numbered 116 and ask for its immediate consideration.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. ALLARD] proposes an amendment numbered 116.

Mr. ALLARD. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

AMENDMENT NO. 116

(Purpose: To afford States the rights and flexibility to determine minimum wage)

At the end of section 2, add the following:

(c) STATE FLEXIBILITY.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

“(h) STATE FLEXIBILITY.—Notwithstanding any other provision of this section, an employer shall not be required to pay an employee a wage that is greater than the minimum wage provided for by the law of the State in which the employee is employed and not less than the minimum wage in effect in that State on January 1, 2007.”

Mr. ALLARD. Madam President, I rise today to ask my colleagues to support amendment No. 116, which I will discuss.

This amendment allows States the rights and flexibility to determine a minimum wage that works for them. Every State has its own microeconomy, and the voters and legislatures in those areas have decided what works best.

This is reflected in a map I have for demonstration purposes, reflecting the number of States in green that have higher wage rates than the minimum Federal rate. It reflects in blue the States with wage rates the same as the Federal rate. We have American Samoa, which has a special minimum wage rate, and States with no minimum wage rate, which are very few, by the way. They rely on the Federal, in that case, where they do not have one. And States with a minimum wage rate lower than the Federal, again, the State is preempted.

I rise to point out that the merits of increasing the Federal minimum wage, for better or for worse, for days on end—there is no debate on the cost of living, and wages greatly differ from State to state.

In its current form, the bill attempts to blindly blanket the Nation with a new Federal minimum wage without

regard to unique economic conditions of each individual State. Effective on January 1 of this year, my own home State of Colorado increased its wage from \$5.15 an hour to \$6.85 an hour. But they went further than that. This new wage will adjust annually with inflation as measured by the Consumer Price Index in my own State—in this case, the State of Colorado.

During the course of the 109th Congress, the Senate considered a range of different minimum wage proposals. I evaluated each on a case-by-case basis. As a former small business owner, I recognize the financial challenges many families face, both those who are employed by the small business, as well as those struggling to keep their small business working. I also recognize the importance of small business to our Nation's economy and the chilling effect that increasing operating costs can have on the growth and ability to create jobs.

In my small business, for example, I hired a large percentage of employees whose first job was working for me. I was able to incorporate them into my business because, in some cases, because of their lack of job experience, I was willing to bring them in at a relatively low wage, give them an opportunity to improve themselves, which usually didn't take long—a month, 2 or maybe 3 months—and then begin to increase their wages as they increased their performance. This helped for morale in the business, and they felt like they were treated fairly. And it worked out very well.

We ran into problems when I was forced to raise the minimum wage, and I had to look at those employees in my small business who were full-time employees and expand the responsibilities of what my expectations were during their time of employment, at the expense of part-timers, and I laid off a few part-timers in the process, until I was able to grow the business a little more and I was able to begin to bring on some of the part-time employees again.

That is my personal experience and that reflects my view on increasing the minimum wage and why I think it has an adverse effect, particularly on those trying to move into the workforce. I have long been a supporter of legislation to help small businesses, and I do not wish to overburden our small businesses. Last year, I supported Senator ENZI's small business health plan legislation to give small business and their employees relief from health care costs. I supported this bill as a way to help small business and will continue to support such good ideas in the future.

In my view, in order to stimulate economic growth and create better paying jobs, Congress should implement programs aimed at reducing taxes and Government regulations on small business. Less Government intervention, at all levels, enables the private sector to attract, recruit, and re-

tain the best possible employees and reward increased productivity and responsibility with higher compensation.

Although I believe the market is capable of setting wages, States are better equipped than the Federal Government to determine what is a fair and equitable standard wage for their workforce because of their own economy within that State.

As my chart shows, letting States take the lead on this issue is working. According to the Department of Labor, as of January 1, 2007, the majority of States have opted to increase the minimum wage over the federally mandated \$5.15 an hour.

According to the Economic Policy Institute, 28 States plus the District of Columbia have minimum wages above the Federal level in 2007. Washington State has the highest minimum wage at \$7.93 an hour. Several States, including Connecticut, Massachusetts, and Oregon, have raised their minimum wage beyond \$7.50 an hour.

If we are going to do this and do this right, we should be cautious in Federally mandating a one-size-fits-all minimum wage. We should allow States to take into consideration the needs of their economy. We should give States the rights and flexibility to set their own minimum wage. Costs of living and wages vary dramatically State to State. What is right for Wyoming is not necessarily what is right for Massachusetts. Imposing dramatic increases to the minimum wage on States poses a threat to local economies. States are better positioned than the Federal Government to set a wage that works best for their workforce. Whether the need is above or below the proposed \$2.10 increase, State officials should have the right to decide. Local legislators are in touch with the business community and I think better represent the needs of the local labor markets. Allowing the minimum wage to be set by State legislatures is a better alternative to a Federal mandate. My amendment simply affirms the traditional definition of States rights and allows respective State legislatures the flexibility to determine employee pay benefits.

Let's allow the States to have a say and decide what is right for them. They are the closest to the people. Let's give States the right and flexibility to regulate minimum wage. A one-size-fits-all unfunded Federal mandate is not the answer to protecting America's economic security. I urge my colleagues to join me in supporting this amendment which gives States the flexibility to determine what is best for their citizens.

Thank you, Madam President.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

AMENDMENT NO. 104 TO AMENDMENT NO. 100

Mr. WYDEN. Madam President, if the distinguished Senator from Colorado is finished, I ask unanimous consent to set aside his amendment and call up an amendment I offer with Senator SMITH and Senator FEINSTEIN and Senator

BOXER and ask for its immediate consideration.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. WYDEN], for himself, Mr. SMITH, Mrs. FEINSTEIN, and Mrs. BOXER, proposes an amendment numbered 104 to amendment No. 100.

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

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

The amendment is as follows:

(Purpose: To reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000)

At the appropriate place, insert the following:

SEC. —. EXTENSION OF SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT.

(a) IN GENERAL.—The Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106-393) is amended in sections 101(a), 102(b)(2), 103(b)(1), 203(a)(1), 207(a), 208, 303, and 401 by striking "2006" each place it appears and inserting "2007".

(b) TERMINATION OF AUTHORITY.—

(1) SPECIAL PROJECTS ON FEDERAL LANDS.—Section 208 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106-393) is amended in the second sentence by striking "2007" and inserting "2008".

(2) COUNTY PROJECTS.—Section 303 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note; Public Law 106-393) is amended in the second sentence by striking "2007" and inserting "2008".

Mr. WYDEN. Madam President, in much of our country that is dependent on natural resources, there is a world of hurt today. There are tremendous concerns in many of our rural communities about how we are going to finance their schools and roads. In my State, more than 50 percent of the land is owned by the Federal Government. So we are not in a position to pay for schools and roads and essential services the way much of the rest of the country does because there, through transactions that occur on private property, they are able to generate the funds they need to pay for essential services.

When Senator SMITH and I go home, we are faced with a very different situation. Because a law I wrote a number of years ago with Mr. CRAIG, the distinguished Senator from Idaho, expired at the end of the year, we are seeing a number of our local communities face Draconian cuts in essential services.

The layoff announcements are going on right now as local districts and local communities come together and wrestle with how they are going to make the difficult choices with respect to funding essential services. Cuts in excess of 70 percent of discretionary funding are going to cripple one of our counties in rural Oregon, southern Oregon, Douglas County, which currently receives about 43 percent of its annual

budget from the law I authored with Senator CRAIG.

Another of our counties, Jackson County, again in southern Oregon, is prepared to shut down all of its libraries. That will be coming up very shortly.

In Curry County, they are looking at the prospect of laying off all non-essential workers, including patrol officers, some of whom would be left to perform only the mandated corrections duties. By June, 20 percent of the county workforce in Curry County will have been cut. So it is not clear with these cuts whether the county will even be able to continue to be a county, as it will not be able to provide a minimum level of services.

Road department levels are going to be reduced in areas such as Josephine County and Linn County.

I am going to be having community meetings this weekend on the Oregon coast.

Tillamook County is looking at layoffs in the sheriff's department and cuts to its road maintenance, jeopardizing roads that are critical to getting sawlogs to the mills and having family-wage jobs for workers in my State.

Senator FEINSTEIN and Senator BOXER join me in this. There are stories like this from across the country. Over 700 counties in 39 States have received critical funding from the county payments program. The fact is, in a State such as ours, where the Federal Government owns more than 50 percent of the land in many of these small communities with tiny populations, they are not going to be able to make it without these funds that are a lifeline in terms of law enforcement and schools and essential road and transportation services.

This is my top priority—my top priority—for my State in this session, to try to make sure these funds are reauthorized. In this particular amendment, Senator SMITH and Senator BOXER and Senator FEINSTEIN and I want to reauthorize the program for 1 year. But I am also introducing legislation for a long-term reauthorization because I think we ought to get these counties off the roller coaster once and for all.

This is based on an approach that was adopted many years ago with States that had widespread Federal ownership getting funds that related to timber receipts. As a result of the environmental laws, those receipts went down, and we needed this law to ensure that those counties would survive.

So the county payments legislation is supported by a diverse coalition, including the National Association of Counties and a number of labor organizations.

If Senators, particularly in rural communities, look now—as I have been in townhall meetings and other kinds of gatherings—at how we are going to support schools and roads and basic local government, I would only say that without this program, this will hit

local communities like a wrecking ball. It is something that should not be abided by this Senate.

I see my colleague from Oregon, my partner in this and many other issues, standing, and I would like to yield at this time. After Senator SMITH has completed his remarks, I will wrap up very briefly. I would also note that Senator REED was here earlier, and I was not aware that he was in the queue as well, and I want him to be able to speak soon in a way that is convenient for him.

So I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Oregon.

Mr. SMITH. I thank my colleague, Mr. President.

I join Senator WYDEN in saying this is my No. 1 priority as well. It is an emergency. It is not a natural disaster, but it is related to natural resources. It is a disaster that has been in the making through the course of a decade and more of Congresses, courts, and, obviously, the effort of the Clinton administration to reduce timber harvest on public lands in the Pacific Northwest. That has created a circumstance in the Pacific Northwest that Senator WYDEN and I seek to address. We do so because it is such an emergency. We have to look for every opportunity, every train that is leaving the station, to bring this to the attention of Congress and to get it to President Bush, who has said he will sign an extension.

For the benefit of the record, let me indicate some of the history of this issue. All of this was done with the best of intentions as it relates to natural resources and the management of public lands. It was done to benefit the spotted owl, threatened species under the Endangered Species Act. I should add that after 15 years of negligible harvest on public lands, the owl is still not recovering and its habitat is being incinerated by catastrophic wildfire.

Whether tacit or intentional, those management decisions have caused severe costs that are borne on the backs of those who can least afford it. These people and communities need relief as much as those burdened by other disasters, such as hurricanes or tidal waves.

The timber war has had many casualties. It has been a catastrophe for rural communities. County governments, colleagues, receive a share of timber receipts from Federal lands—25 percent from the Forest Service and 50 percent from BLM. The State Senator WYDEN and I represent is more than 50 percent owned by the Federal Government. What you have, therefore, is timber-locked communities.

For generations, these timber receipts have provided funds to offset the fact that local communities cannot tax the Federal Government. It makes up the vast majority of their funds to operate their counties, their schools, public safety. When timber harvest evaporated, so did county budgets.

In 1999, my colleague from Oregon, Senator CRAIG from Idaho, myself, and

others came to this floor to describe what was happening to rural Oregon. Schools went to 4 days a week. They dropped sports and extracurricular activities and curtailed other programs. Communities were forced to make heartbreaking decisions over whether to cut social service programs or school funding or to sharply reduce sheriffs' patrols and close jails.

Fortunately, Congress created a safety net in the Secure Rural Schools and Community Self-Determination Act of 2000. This provided funding to counties based on historic rather than current timber harvest levels, and it kept them afloat until the Federal timber program stabilized—a stabilization for which we are still awaiting.

I realize other States may think Oregon receives too much assistance under this program; however, I would ask, what other Federal disaster assistance is not allocated based on the intensity and location of the disaster? You go where the problem exists. Between 1987 and 2002, Federal timber harvest in Oregon dropped 96 percent. That is an annual shortfall of enough wood to build over 235,000 homes.

Without a county payment safety net, here is an example of what my county commissioners are facing. Curry County, located on the southern Oregon coast, has an annual general fund of \$7.7 million. The safety net accounts for over \$4 million of that \$7 million. The county is not legally able to raise property taxes, but it is constitutionally bound to fund administrative and law enforcement functions. Curry County has 11,000 homes. To replace the safety net funding with new property taxes, it would need over 35,000 new homes valued at \$345,000 each. That is not going to happen. With only 22,000 residents and 1.43 percent of its land available for development, this is simply an impossibility.

But the safety net is not just about Oregon counties. In the life of the legislation, California received \$308 million; Idaho, \$102 million; Montana, \$63.4 million.

That program expired on our watch 4 months ago. Now rural counties across the Nation are dangling on an economic tightrope without a safety net to catch them. My colleague from Oregon and I have left no stone unturned to find money for an extension. Those efforts have been unsuccessful. We stand here with our timber-dependent counties at the mercy, once more, of the Federal Government. If we do not extend the safety net, many counties in my State stand to lose nearly 70 percent of their general and road funds.

Preparations are already underway to close public libraries, pink slips to thousands of county employees will soon be in the mail, vital search-and-rescue operations will be curtailed. The Nation has seen these search-and-rescue operations go tragically in several cases recently on national TV.

Oregon has lived with devastating Federal mandates on our forests, but

we cannot live with an instant evisceration of our public services. That cannot be the rural legacy of this Congress.

My colleague from Oregon and I have filed this amendment to the minimum wage bill to provide a 1-year extension of the safety net. It is only fitting that as we consider raising wages for workers in the private sector, we address the very future of jobs and services in the public sector.

We are also introducing legislation for a full reauthorization, and we will make every attempt at every opportunity in this Congress to turn back the tide that is quickly approaching rural communities and counties across the Nation. We can prevent this natural disaster, a natural disaster that has a human component. I join with my colleague to express our determination and thank him for his leadership, his authorship of this in the first instance, and of our mutual determination for the sake of our State to right this wrong.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. I thank my colleague for his comments and his thoughtfulness. Before I make my concluding remarks on our amendment, I ask unanimous consent for Senator JACK REED to speak after I have concluded.

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

Mr. WYDEN. To wrap up briefly, Senator SMITH has stated it well. I am very honored to represent Oregon in the Senate. I have been able to get into a host of issues that I think are important, particularly as a member of the Finance Committee, to fix health care and fix the out-of-whack American tax system. I serve on the Intelligence Committee. But Senator SMITH and I have said this is our most important issue for our State for this session because, without this funding, there is a real question about whether these local communities can hang on. They simply have no other options. You are not going to be able to go to a small resource-dependent community in eastern Oregon and set up a biotechnology company in the next few weeks. It is not going to happen. I support those kinds of industries and economic development, as does my colleague. It has been a big part of our bipartisan agenda. But we are talking about survival for these rural communities. This will be our top priority for this session.

This has also made a great contribution in terms of bringing together people of differing views on natural resources. As part of the legislation that I authored with Senator CRAIG a number of years ago—as Senator SMITH has noted—we set up resource advisory committees so that you now have folks in the timber industry talking to environmentalists who in the past were, for the most part, spending their days in the courthouses suing each other. Now they are working together to cooperate through the legislation that we have

put in place. This has been recognized as a wildly successful natural resources law, bringing about cooperation that, prior to this law going into effect, was seen virtually nowhere.

It is a stable, consistent source of funding for communities that have nowhere else to turn, affecting communities in 39 States, but it is also a program that has brought together a unique kind of cooperation between people in the natural resources area who in the past would spend an awful lot of time running what I call a lawyers full employment program, essentially suing each other in the Federal courthouse.

We are going to be back on the floor for whatever number of times it takes to get this program reauthorized and take these rural communities off this roller coaster. They ought to be able to know that they can survive, and they can survive as they have over many years through a program that was tied to the unique consideration that the Federal Government owns most of our land. That is what this is all about. This is different than how people may pay for schools and roads and essential services in parts of the eastern United States where there is little Federal ownership.

We ask that the Senate not ignore the plight of rural America, particularly the rural West, as we continue forward with the legislative calendar.

AMENDMENT NO. 104 WITHDRAWN

I ask unanimous consent that this bipartisan amendment be withdrawn. We will be back another day. But I ask unanimous consent that the amendment I have offered be withdrawn.

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

The amendment is withdrawn.

The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I thank Senator WYDEN for arranging for my time. I rise to address my strong support for the increase in the minimum wage that we are debating today in this Chamber. Minimum wage workers deserve this long overdue raise. The minimum wage, which today stands at \$5.15 per hour under Federal law, hasn't increased since 1997. Since then, inflation has entirely eroded that pay raise. In the meantime, the pay of CEOs of large corporations has increased to an average of \$10.5 billion per year, about 369 times the average wages of a worker and 821 times the average wage of a minimum wage worker. That discrepancy, that disparity, that growing bifurcation between the very well compensated and struggling families in America cannot be tolerated any longer.

This legislation would raise the minimum wage to \$7.25 over the next 2 years. This measure is important because workers have been left out of the economic growth that we have seen so far in this limited recovery that we are experiencing. Strong productivity growth has translated into higher prof-

its for businesses, not more take-home pay for workers. And this is not just the low, entry-level workers. This is very far up the income range for working Americans. The stagnation of earnings in the face of soaring prices for health care, education, and food is squeezing the ability of families to meet their demands, of providing opportunities for the children. In fact, for the first time in my lifetime, I am beginning to sense that so many people are worried whether their children will be able to enjoy the same level of progress of income, of housing that they have, a fact that they took for granted.

No one who works full time should have to live in poverty, but the current minimum wage is not enough to bring even a single parent with one child over the poverty line, even if the parent works full time 52 weeks a year. That should never be the case in this country.

Five million more Americans have fallen into poverty since President Bush took office; 37 million Americans are now living in poverty, including 13 million children. And we know what the effects of poverty on children are. It impedes their ability to succeed in school. It deprives them of some of the experiences that we think are essential for their progress. Ultimately, it impairs their ability to contribute to this country as workers but, more importantly, as citizens, to fully participate, to bear the responsibilities of this great country. An unacceptably low minimum wage is a key factor in the problem of poverty in our country. This measure would go right to that problem in a very efficient way.

People who are working deserve to be rewarded for their work, deserve to be out of poverty. Congress is failing to catch up with reality. Many States have taken it upon themselves to raise their minimum wage. During the election this past November, six States passed ballot initiatives—not just a legislative effort but the voice of the people of those States—to raise the minimum wage. Today 29 States and the District of Columbia have minimum wages above the Federal level, anywhere from \$6.15 per hour to \$7.93 per hour. In addition, the States of Washington, Oregon, Vermont, and Florida have gone so far as to index the minimum wage to the rate of inflation, allowing workers to share in the benefits of a growing economy.

Raising the minimum wage will make a real difference for working families, putting an additional \$4,400 per year in their pockets. Almost two-thirds of those who would benefit are adult workers, more than a third of whom are the sole breadwinners for their families. More than 6 million children would benefit from this raise that their parents would receive.

One of the fundamental principles of our country and our economy is that people should be able to support their families by their efforts, by their labors, by their works. That is when the

economy is working well. That is the reality. Here we have a situation where there are people working two jobs sometimes, working 40 and 50 hours a week, who still don't have sufficient income to meet the demands of the family. Here in this country we should at least be able to guarantee to someone that if they are working that hard, they should at least be able to support their family out of poverty. That is at the core of what we are trying to do today.

While the minimum wage has remained stagnant—because it is not just a question of how much a family earns; it is also a question of how much they must pay to support the basic demands of life—we have seen, for example, health insurance premiums increase 87 percent since 2000 alone. How does one afford health care if your wages don't go up? These premiums now average roughly \$11,000 per year, and that is more than the annual wages of a full-time minimum wage worker. Clearly, they are not going to be buying health insurance policies. And, by the way, I don't think they are going to be able to take advantage of the President's proposal for a tax deduction because, simply, they are not able to buy the health insurance in the first place, nor are they able to wait a year to get a tax deduction on a tax liability that is probably close to zero, if not, in fact, zero.

Additionally, if you look at college tuition, another aspect of family life which is part of the American dream, the notion, again, that you can go ahead and ensure or help at least your children to do better, to go to college, one of the things that recent economic studies have shown is that because we do not have the full access and affordability of college, the class structure is becoming more rigid. Back in the 1950s and 1960s, if you were predicting the income of a son based on his father's income, the correlation was somewhere at 20, 30, 40 percent. Today it is 60 percent. If you are a wealthy parent, you will probably have wealthy children. But the reverse is also true; if you are a low-income worker, the chances of your son or daughter rising to the top in this economy are much less than they were 40 and 50 years ago. Horatio Alger is not alive and well in America today as he once was.

This economy has to be more representative of giving people a chance to move up. The key to that, or one of the significant keys, is access to higher education. We have to do more. One thing at least we can do, if the prices of higher education are rising so much, is certainly to at least raise wages and raise the minimum wage.

Every day the minimum wage is not increased it continues to leave workers behind because inflation continues unabated at levels that are modest in terms of historical comparisons, but it still is eating away at that existing minimum wage. Today the real value of the minimum wage is more than \$4

below what it was in 1968. Think of that. In 1968, we could afford to pay much higher wages to those people engaged in minimum wage work, and it didn't upset our economy. To have the purchasing power that it had in 1968, the minimum wage would have to be more than \$9.37 an hour, not \$5.15 as it is today, or even \$7.25. If we could do it in 1968, why can't we do it today?

History also suggests that raising the minimum wage does not have a negative impact on jobs. You will hear a lot of people say this is going to distort the employment numbers, and it is going to inhibit employment.

In the 4 years after the last minimum wage increase passed in 1997, the economy experienced the strongest growth in over three decades. We have not seen that kind of growth since the late nineties or during this administration. But following the last increase, nearly 12 million new jobs were added, at a pace of about 248,000 a month. In contrast, in the most recent 4-year period, the minimum wage has remained stagnant and only a small fraction of that number of jobs has been created. Because of the increase in productivity, because of the fact that workers are more effective, they should be able to be compensated more. That is not happening as it should.

Working families are struggling to meet their most basic needs, and a fair increase in the wage floor is the right direction to take for this Congress. I am disappointed that our most recent efforts to clearly and simply raise the minimum wage are being linked to other provisions. American families deserve the much needed boost that this raise will provide. They deserve to hear a clear signal from this Senate that we are on their side, they are not an afterthought to be added to other provisions.

Mr. President, this is long overdue. I urge my colleagues to work as quickly as possible to pass the minimum wage increase.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. Mr. President, I am proud today to rise in support of the working men and women of this country. I am proud to speak for an idea whose time has long since come: Our lowest paid workers—people who drive this economy—deserve a raise. I will be proud to vote for a bill that gives them a raise, a bill that increases the minimum wage from \$5.15 an hour to \$7.25 an hour.

This raise is years overdue. Right now, the purchasing power of the minimum wage is at its lowest level in more than half a century, since Dwight Eisenhower was President and Bill Haley and the Comets topped the charts. The value of the current wage is 30 percent lower than it was 25 years ago.

I know a little something about earning minimum wage. I have had a number of minimum wage-type jobs—as a

carhop, a highway worker, and as a pie cutter. If there are other pie cutters in the Senate, I would like to meet them. Of course, I was also a waitress to help pay for school. My career as a waitress came to an abrupt end when I spilled 12 ice teas on one customer. That is when I decided to go to law school. But I can tell you that job taught me how important it is for our leaders to look out for minimum wage workers.

Today, nearly 15 million American workers—more than 10 percent of the workforce—are counting on us to help them get a fairer wage. Almost 7 million of them would directly benefit because their hourly pay is below \$7.25 an hour. Another 8 million with wages slightly above this level would also get a much needed boost.

In my State, Minnesota, more than 200,000 people are waiting for Congress to do its job.

Lifting the minimum wage is the fair thing to do. Working class families are getting left behind, even as corporations see record profits and corporate executives and the superwealthy see record salaries. If the minimum wage had increased at the same rate as the salary increases for CEOs, the rate would now be more than \$23 an hour.

This is not just about kids working at fast food places, though they certainly deserve a better deal, too. Eighty percent of workers who would benefit from this bill are age 20 or older. More than half work full time. More than a third are their family's sole earners.

The bill we are debating today provides real relief to these workers and their families. Even as the purchasing power of the minimum wage has gone down, costs for working families have gone up, and they are still rising. Health care costs in our State have gone up 80 percent in the last 6 years. College tuition at the University of Minnesota has gone up 80 percent in the past 7 years. It is getting tougher to afford a house and to go to school. And gas prices are always a concern.

Wherever I go in Minnesota, I see people struggling with the brutal combination of declining real wages and increasing costs. At the lunch counters, gas stations, in the big cities, and at county fairs they talk about the need for help. This is the time for us to give them that help.

Lifting the minimum wage is also the principled thing to do. A raise means more money to these working families, and it sends a signal that we, as a community, value hard work and we insist on a fair deal for all Americans. That is a signal that the old leadership in Washington failed to send. With this bipartisan bill, we can tell our workers that we stand for the hard-working people of America.

Lifting the minimum wage is also the smart thing to do. It will decrease poverty, increase family buying power, and strengthen the consumer base in our communities. Some like to say that a minimum wage increase kills

jobs. People have consistently made this argument when the minimum wage is debated. They have consistently been wrong. States that have raised their own minimum wages have not seen job losses, and many have actually outperformed the rest of the country in job creation.

A raise would not only have positive economic effects, it will also have positive social effects. As a prosecutor, I saw firsthand how crime took over communities where people could not make ends meet. When people struggled, even after working hard, they often turned to drugs or violence or both. I learned how good jobs that pay fair wages can be the best crime-fighting tool.

Lifting the minimum wage is the fair, principled, and smart thing to do across the board. But it will also have a particularly powerful effect on women. Women make up less than half of the workforce, but they make up roughly 60 percent of those who will directly gain from this raise. More than 40 percent of these working women have full-time jobs.

Three million working mothers will see a benefit from this legislation, including hundreds of thousands of single moms. Many of these women work in demanding retail and hospitality jobs—waitresses, store clerks, hotel maids—where they are on their feet or running around all day.

Despite their hard work, they have an almost impossible time making ends meet. They struggle to afford health care or college tuition for their kids or even basics such as gas and groceries. I am in awe of these women. I am a working mother and wife, and I have worked at minimum wage, but I have never had to do both at the same time. Today, you can do something for them.

The challenges of working in the hospitality industry raise the final issue I would like to talk about today—the so-called tip credit.

Under current Federal law, tipped employees, including waitresses, bellhops, and maids, are entitled to a Federal minimum wage of only \$2.13 an hour. They have to make up the difference between \$2.13 and the real minimum wage with their tips.

States have always been allowed to change this rule. My State, Minnesota, similar to several others, has done that. The people of Minnesota decided that tipped workers should receive the same minimum wage as all other workers. That is now the law of Minnesota and six other States. Tipped workers earn the State minimum wage and pay taxes on both their wages and their tips.

Last year, the old Congress tried to take away Minnesota's right to enforce this law. The minimum wage bill proposed back then would have preempted State law and would have caused Minnesota's tipped wage workers' wages to immediately fall by about \$4 per hour.

Thankfully, this provision didn't become law. Unfortunately, some people

in Congress have talked about trying it again this year. They are seeking to pass a provision that limits Minnesota's future right to fix a fair wage for tipped workers. They think Washington knows better than the people of Minnesota what our State's wage policy should be.

I oppose these efforts. For one thing, the people of Minnesota had good reasons when they eliminated the tip penalty. They saw that tips are uncertain income, given at the discretion of the consumer. They recognize the hard work and long hours that tipped employees put in. They determined that customers give tips to reward service, not to directly pay the wages of the people who serve them. They wanted the State wage law to reflect these facts.

The people of Minnesota know about women such as Marie Hanson of Rochester. I have spoken with Marie, and her story is the best argument I can think of for making sure our tipped workers get fair wages. Marie has been a waitress at the Cahler Grand Grill in Rochester for many years. She has put two kids through school on her waitress salary, and now she is looking to save for her own retirement. If her wages are cut, or if she had been paid lower wages these past few years, her already difficult task of raising kids and making ends meet would have become impossible. For too long, Congress has favored corporations and billionaires who stash money in tax shelters in the Cayman Islands. Now it is time for Congress to pay attention to women such as Marie Hanson.

Against this backdrop, Washington should not undo the will of the people of Minnesota. States have always had the sovereign right to set their own wage policy above a Federal floor and for good reason. We all know that States understand the unique conditions and challenges they face in a way that Washington never can. And many States, including mine, have crafted their own minimum wage laws that are stronger and fairer than the current Federal law.

That is how it should be. If we take away Minnesota's right to determine wages for tipped workers, what is next? Will the people who are pushing this proposal seek to stop States from setting their own higher minimum wages? Will they subvert the will of the people in more than 25 States that have stronger laws than the Federal law?

People who would require Minnesota and like States to impose a tip penalty say they are doing it to help small businesses in these States compete against small businesses in neighboring States. But the exact same argument can be made of a Federal law forbidding all States from setting higher minimum wages. Is that the next step? I don't think so.

As somebody who visited all 87 counties in Minnesota last year, I understand very well the importance of small businesses to our communities. I

wish to make sure that small businesses remain a vibrant driver of our economy. I know that the tip penalty concerns of small businesses in Minnesota, especially those in towns bordering other States, are real and they should not be ignored. But they are not best resolved here; they are best resolved much closer to home, in the State capital. Washington cannot possibly understand, let alone balance, all of the competing concerns that arise in this aspect of State wage policy. St Paul, MN, can. That is how it has always worked, and it should continue to work this way.

This is not to say that there are not small business issues common to all States that this Congress can address. I have talked with small business owners in Rochester and Duluth and Wilmer about the challenges they face, including high health care costs. I see the value of giving some relief and some incentives to small businesses trying to thrive. But Congress should not stop States from protecting tipped workers.

With all of this in mind, I urge this Chamber to fight for working families and especially the working women of this country. I urge this Chamber to pass a long-overdue minimum wage increase that doesn't deny or limit States historical right to pursue their own wage policy.

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

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

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

There being no objection, the Senate, at 1:28 p.m., recessed until 1:36 p.m. and reassembled when called to order by the Presiding Officer (Mr. MENENDEZ).

Mr. ENZI. 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. BYRD. 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. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Maryland for—how much time?

Ms. MIKULSKI. For 5 minutes.

Mr. BYRD. For 5 minutes, or whatever time she desires, without losing my right to the floor.

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

Mr. BYRD. I yield to the Senator from Maryland.

Ms. MIKULSKI. Mr. President, I wish to thank the distinguished chairman of

the Appropriations Committee for so courteously yielding me these 5 minutes. I know he is eager to bring his own thoughts to the Senate floor, and we, of course, are always mesmerized when Senator BYRD speaks.

I rise as an enthusiastic cosponsor of the fair minimum wage legislation. Right now, it pays \$5.15 an hour. If you add that all up, 40 hours a week, 52 weeks a year, that comes out to \$10,700 a year. That is \$6,000 below the national poverty line. That is a phrase we throw around glibly, easily, and in a very facile way. When we use the term poverty line—I remember when it was invented by a wonderful woman at the Social Security Administration, Molly Orshansky. When we were truly fighting a war against poverty, she said: What is the line between being able to live a decent, sufficient life? She set it at that time, 40 years ago, at \$3,000. Now the national poverty line is \$16,060 for a family of three. That means bare minimum necessities to live in the United States of America. It doesn't allow for school trips. It doesn't allow for vacations. It is certainly not a latte-drinking, Volvo-driving minimum wage.

On top of asking the people who work at this, we are now saying: It is OK if a full-time job in the United States of America means full-time poverty. Where are our guts? Where is our grit? Where is our reward for saying that hard work is worth it? That is what we are saying now. Hard work should be worth it.

Now we are raising the minimum wage, and I salute the Senator from Massachusetts for his steadfast advocacy on this issue and for speaking up on how this is a woman's issue. There is a lot of hand-wringing over this raise, and I don't know why, because even when we raise it to what the Senate is proposing, to \$7.25 an hour over a 2-year period, it still means workers will earn \$15,080 a year. We are still going to be below the national poverty line. I would raise it more.

There are those who say: Let the market forces work. You bet, let the market forces work. But at the same time know that this has to be a minimum fair wage.

I am very distressed about the fact of the impact this has on women. If ever there was a woman's issue, wow, it is the minimum wage. Women are especially hurt by Congress's failure to raise the minimum wage. Forget that we don't increase equal pay for equal work, and we still make 75 cents for every dollar men make. Forget that we don't even enforce the wage laws that are on the books. But if we do recall, what my colleagues need to know is two-thirds of all of the minimum wage workers in America are women—two-thirds—meaning a full-time job, full-time poverty. Women account for full-time workers in the lowest paid jobs: maids and housekeepers, food servers and, most of all, childcare workers. What does that mean?

Mr. KENNEDY. Mr. President, would the Senator yield on that point?

Ms. MIKULSKI. Of course, I yield to the Senator from Massachusetts.

Mr. KENNEDY. If I could ask the Senator—I know we are on a short time and perhaps the Senator from West Virginia would yield us 3 more minutes? Would the Senator do that?

Mr. BYRD. Mr. President, I yield as much time as the Senators may desire.

Mr. KENNEDY. I thank, as always, my friend and colleague. But on this point the Senator from Maryland makes about the lowest paying jobs, the lowest paying jobs in America are predominantly filled by women is the point the Senator was making. We find 87 percent of maids are women; food servers, 66 percent; cashiers, 75 percent; and childcare, the point the Senator was making, is 93 percent.

The point the Senator has so eloquently made is that women have an interest in raising the minimum wage because of the enormous impact it has on women generally. I hope the Senator in her time will comment about the impact on the children of these women.

Ms. MIKULSKI. I say to my colleague from Massachusetts, other Senate women will be coming to the Senate today on this issue.

The Senator is absolutely right, raising the minimum wage will impact women. Our data analysis says 7 million women will benefit from the proposed increase in the minimum wage; 7 million women will take one more step out of poverty. We need to remember that many of these women are also single moms and get a double whammy. Not only are they working in a full-time job that guarantees full-time poverty, but often they don't get their child support.

We are asking them to raise their children below the poverty line in the United States of America. Then we diddle and dawdle and ditz around in terms of helping them collect their child support, yet we want them to give full-time energy to being a mom. We ask them for more parental involvement. These mothers want to have more parental involvement, but there has to be more Senate involvement getting these women out of poverty. Getting these women out of poverty will not come only from raising the minimum wage, but it is a very important step forward.

We want to ensure that if you work in the United States of America, it should be worth it. No. 2, when you do work and get paid, again, you were not below the poverty line.

The impact on families is astounding. If a family is poor, they will not have enough to eat. Nutrition plays a big role in child development and learning ability. You are not going to feel warm, you will not feel safe, you are not going to feel secure, and you also are going to wonder about this country regarding rewarding work.

The women of the United States of America deserve better. For those

women doing well, we want to do right by those who aren't. A childcare worker right now working in Baltimore, working on the Eastern Shore, in the western Maryland mountains, or in Bethesda is working as hard as those working in the Senate or those downtown at law firms. We want to say to the women of the United States of America, we are on your side.

We want to make sure we pass this minimum wage. And to 7 million women, we hope you will sleep better and be able to live better because of what we are doing.

I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from West Virginia.

Mr. BYRD. How much time do I have, may I ask the Chair?

The PRESIDING OFFICER. There is no limit on the Senator's time.

Mr. BYRD. I thank the Chair.

(The remarks of Mr. BYRD pertaining to the submission of S. Res. 39 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Senator from Louisiana be allocated 10 minutes; that following the Senator from Louisiana, I be allocated 10 minutes; and following my comments the Senator from Massachusetts, Mr. KERRY, be allocated 20 minutes.

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

The Senator from Louisiana.

Mr. VITTER. Thank you, Mr. President.

AMENDMENT NO. 110 TO AMENDMENT NO. 100

Mr. President, I ask unanimous consent that the pending amendment be set aside and that the Vitter amendment No. 110 be called up.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report.

The bill clerk read as follows:

The Senator from Louisiana [Mr. VITTER], for himself and Mr. VOINOVICH, proposes an amendment numbered 110 to amendment No. 100.

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

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

The amendment is as follows:

(Purpose: To amend title 44 of the United States Code, to provide for the suspension of fines under certain circumstances for first-time paperwork violations by small business concerns)

At the appropriate place, insert the following:

SEC. ____ . SUSPENSION OF FINES FOR FIRST-TIME PAPERWORK VIOLATIONS BY SMALL BUSINESS CONCERNS.

Section 3506 of title 44, United States Code (commonly referred to as the "Paperwork Reduction Act"), is amended by adding at the end the following:

"(j) SMALL BUSINESSES.—

“(1) SMALL BUSINESS CONCERN.—In this subsection, the term ‘small business concern’ means a business concern that meets the requirements of section 3(a) of the Small Business Act (15 U.S.C. 632(a)) and the regulations promulgated under that section.

“(2) IN GENERAL.—In the case of a first-time violation by a small business concern of a requirement regarding the collection of information by an agency, the head of that agency shall not impose a civil fine on the small business concern unless the head of the agency determines that—

“(A) the violation has the potential to cause serious harm to the public interest;

“(B) failure to impose a civil fine would impede or interfere with the detection of criminal activity;

“(C) the violation is a violation of an internal revenue law or a law concerning the assessment or collection of any tax, debt, revenue, or receipt;

“(D) the violation was not corrected on or before the date that is 6 months after the date of receipt by the small business concern of notification of the violation in writing from the agency; or

“(E) except as provided in paragraph (3), the violation presents a danger to the public health or safety.

“(3) DANGER TO PUBLIC HEALTH OR SAFETY.—

“(A) IN GENERAL.—In any case in which the head of an agency determines under paragraph (2)(E) that a violation presents a danger to the public health or safety, the head of the agency may, notwithstanding paragraph (2)(E), determine not to impose a civil fine on the small business concern if the violation is corrected not later than 24 hours after receipt by the small business owner of notification of the violation in writing.

“(B) CONSIDERATIONS.—In determining whether to provide a small business concern with 24 hours to correct a violation under subparagraph (A), the head of an agency shall take into account all of the facts and circumstances regarding the violation, including—

“(i) the nature and seriousness of the violation, including whether the violation is technical or inadvertent or involves willful or criminal conduct;

“(ii) whether the small business concern has made a good faith effort to comply with applicable laws and to remedy the violation within the shortest practicable period of time; and

“(iii) whether the small business concern has obtained a significant economic benefit from the violation.

“(C) NOTICE TO CONGRESS.—In any case in which the head of an agency imposes a civil fine on a small business concern for a violation that presents a danger to the public health or safety and does not provide the small business concern with 24 hours to correct the violation under subparagraph (A), the head of that agency shall notify Congress regarding that determination not later than the date that is 60 days after the date that the civil fine is imposed by that agency.

“(4) LIMITED TO FIRST-TIME VIOLATIONS.—

“(A) IN GENERAL.—This subsection shall not apply to any violation by a small business concern of a requirement regarding collection of information by an agency if that small business concern previously violated any requirement regarding collection of information by that agency.

“(B) OTHER AGENCIES.—For purposes of making a determination under subparagraph (A), the head of an agency shall not take into account any violation of a requirement regarding collection of information by another agency.”.

Mr. VITTER. Mr. President, I rise in support of this amendment No. 110. It is very simple, very straightforward, very basic, but also very important. It is to reduce, in a meaningful way, the excessive paperwork burden facing small businesses.

As I begin, I also want to thank Senator VOINOVICH for cosponsoring this amendment. As have I, he has long been at work on this issue and has offered great leadership. I thank him for joining with me in this effort.

Businesses face enormous hurdles and obstacles and challenges, particularly small business. Unfortunately, one of them has become the enormous paperwork burden created by all levels of government. A small business in Louisiana, depending on the nature and location of the business, has to deal with myriad Federal agencies. Just off the top of my head, these include the EPA, U.S. Army Corps of Engineers, Coast Guard, SBA, Labor, Commerce, IRS, and Customs, to name a few. That doesn't include—and my amendment doesn't pertain to—all of the State agencies with which they similarly have to deal and file paperwork because of regulations from local entities at the governmental level.

The compounded effect of this is enormous. All of those requirements, paperwork and others, can be absolutely suffocating. There has been some quantification of this enormous compliance cost. In September 2005, the SBA Office of Advocacy released a study that gave us a glimpse into this. It said businesses with fewer than 20 employees spend more than \$7,600 per employee just to comply with Federal regulations. That is a staggering cost. To a truly small business that doesn't have a vice president in charge of compliance, doesn't have a team of lawyers or a team of paper filers in the back office to take care of it, that is a real burden. It distracts the principals of the business from doing what they set out to do, the main focus and mission of the business.

All too often, the way those regulations and requirements are administered is in the tone of a “gotcha” game, fining small businesses for paperwork violations just to say “gotcha,” just for the sake of doing it, of issuing those violations and in some cases of gaining revenue for the department of government. All of that is wrong, and we need to change it.

Nobody here—myself included—is arguing that we don't need a legitimate layer of regulation to protect and promote health and safety, the environment, worker safety, et cetera. Nobody is arguing against that. That is not what we are talking about. What we are talking about today is an amendment I offer on the minimum wage bill which includes provisions I introduced separately as the Small Business Paperwork Relief Act of 2007. I thank Mr. NEUGEBAUER of Texas in the House for introducing identical companion legislation, as we both did in the last Con-

gress. Again, this is basic, straightforward, simple, but very important to small business.

This is exactly how it would work. It would direct Federal agencies not to impose civil fines for a first-time violation of their agency's paperwork requirements by a small business unless the head of the agency determines the following: the violation has the potential to cause serious harm to the public interest; not issuing a fine may impair criminal investigations; the violation is a violation of Internal Revenue law; the violation is not corrected within 6 months; or the violation presents a danger to public health or safety. In addition, the amendment says that fines can be waived in the case of a violation that could potentially present a danger, if the violation is corrected within 24 hours of the small business receiving notification of the violation. It is important that the first list of those possibilities are mandatory. An agency can't issue civil fines for a first-time violation unless one of those things happens. But the second part of it—fines can be waived unless corrected within 24 hours—is discretionary. A fine doesn't have to be waived in that instance by the appropriate Federal regulatory agency.

This is very constrained, very limited, very common sense. Again, the most important part of the provision is, it is first-time violations. It is a small business. It is civil penalties only. We are not talking criminal. We are not talking a big business with a big compliance section. We are not talking a mandatory waiving of fines for health and safety violations where it goes to public health.

This is not only a reasonable thing to do, it is long overdue considering the enormous compliance costs I alluded to before—\$7,600 per worker for a small business of 20 employees or less—just to take care of Federal requirements. That doesn't count State or local. We are only dealing with Federal because we are the Federal legislature.

This bill is particularly relevant to my home following the devastation of Hurricanes Rita and Katrina. The small business base in Louisiana was devastated by those horrific events. In many areas, small businesses are starting from scratch, and the whole community of small businesses is starting from scratch as it begins to recover from that destruction. Particularly in that context, they need this sort of reasonable relief—limited, focused civil fines only, first-time violations only, small business only, only mandatory waiver when it doesn't involve a threat to public health and safety, all of the very strenuous and carefully outlined requirements I set out.

I hope everybody in this Chamber can come together to support this common-sense proposal. In a broader vein, I hope this is a part—not the only element but a part—of our coming together to pass a minimum wage increase with small business regulatory

and other relief. We should not do one or the other in this context; we should do both. That is the reasonable bipartisan compromise which I hope we are moving to on the Senate floor—yes, a minimum wage increase; yes, real and meaningful regulatory and other relief for small business such as the commonsense paperwork reduction act.

In addition, I hope that small business relief involves relief in an area that is most important to small business and so many millions of Americans; that is, the ability to access and afford health insurance. We will have amendments about that as well.

I urge all Members of the Senate to support this modest commonsense but important measure. I urge all Members of the Senate to come together to support a minimum wage increase with real relief for small business, whether it is dealing with paperwork, whether it is affording or accessing health care insurance—all of those important things small businesses face while continuing to be the engine of job creation, the backbone of our Louisiana and American economy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, America's workers deserve a raise, and that is why I rise in strong support of S. 2, the Fair Minimum Wage Act of 2007. America's workers have helped our country make tremendous gains in productivity and economic growth, and they deserve to share in the prosperity they have created. I am very proud to represent a State that has a high minimum wage, and I want to share some of the lessons we have learned about providing a living wage in the State of Washington.

We need to do the right thing and pass a clean minimum wage bill now, without any of the antiworker amendments that may be offered on the other side. As we have heard, it has been almost 10 years since this Congress last raised the minimum wage. During that time, the real value of that wage has fallen by more than 21 percent. At the same time, the costs of health care, energy, and housing have all gone up significantly. As a result, many of our middle-class workers have been squeezed. I can only imagine the challenges minimum wage workers face every day while trying to maintain their families and their dignity on \$10,000 a year. We can be proud that America's businesses have prospered over the last decade, thanks to a 31-percent increase in worker productivity and a huge 47-percent increase in profits. Now it is time for the least paid of America's workers to share in those gains.

During this debate, we have heard the usual claims that raising the minimum wage hurts businesses. In my State, that has not been the experience. Washington State, in fact, has the highest minimum wage in the country. We are living proof that a liv-

able minimum wage is good for our State economy, good for small businesses, and it is good for our citizens. In 2006, our State's average unemployment rate was 4.9 percent, the lowest since 1999. We created 79,000 new jobs. Our poverty rate is 11.9 percent, which is lower than the national average. And our median household income stands at \$49,000, much higher than the national average.

Our State minimum wage, which is indexed to inflation, has helped make for good labor productivity and a healthy economy. We have heard from my esteemed colleague, Senator KENNEDY, chairman of the HELP Committee, that States with higher minimum wages create more small businesses and more jobs. Last year, the Fiscal Policy Institute reported that States with a higher minimum wage created nearly 10 percent more jobs and 5 percent more small businesses. A May 2006 Gallup Poll found that 86 percent of small business owners thought that raising the minimum wage did not affect their businesses. I could cite statistics like that all day, but I think the best evidence is really what continues to happen in my State compared with a neighboring State that has a much lower minimum wage.

Washington State's minimum wage is \$7.39 an hour. Right next door to us, Idaho has a minimum wage at the Federal level of \$5.15 per hour. Since 1998, when our voters in Washington State passed our minimum wage law, Washington employers have been flooded with job applicants from Idaho. Now Washington companies can pick the best qualified workers from the entire region. On January 11, the New York Times reported that Washington State businesses have seen great benefits, while Idaho businesses have not.

I ask unanimous consent to print this New York Times article by Timothy Egan in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mrs. MURRAY. This article quotes Don Brunell, president of the Association of Washington Business. He says that raising the Federal minimum wage is "almost a no-brainer." Washington's strong economy is proof that even with the highest minimum wage in the United States, as Mr. Brunell put it—and he is president of the Association of Washington Business—"Washington is a great place to do business."

Some people predicted that small businesses would be hurt in my State. But instead, as the article notes, they have prospered beyond their expectations. So we have a lot of opportunity to do good here, not just for our workers but for our businesses and for our economy. But to do the most good, we have to pass a clean bill, one that is free from unrelated tax provisions and one that rejects antiworker amendments.

Historically, Congress has not found it necessary to pair a minimum wage increase with a package of tax giveaways. In fact, since 1936, Congress has raised the minimum wage nine times. But only once has such an increase been paired with a tax rollback. We should pass a clean bill that gives workers the raise they are long overdue.

In addition, we should not let this bill be used to weaken the rights of American workers. As the chairman of the HELP Subcommittee on Employment and Workplace Safety, I am troubled by a number of the amendments being floated now by our Republican colleagues, proposals to attack the 40-hour workweek, to take away workers' overtime, and to force a pay cut on workers who earn their living from tips. There is also a deeply flawed proposal that would change the treatment of professional employer organizations under the Tax Code.

This week, while we try to raise the wages of one group of workers, we have to fend off the Republican attacks on working families and their right to earn overtime. We all know how the demands of work and family pull two-career parents away from their loved ones all too often. For parents getting their kids to and from school and to afterschool activity is not easy, especially when you are forced to work uncertain hours. The uncertainty of having to work, say, 50 to 60 hours this week and then 20 or 30 hours next week will put incredible strains on many of our overburdened families.

Taking away their workplace rights and their ability to collect overtime would be a cruel and unwarranted double hit on America's working families. The Senate should, once again, reject the Republican comp time and 40-hour work week proposals, because they would force a pay cut on millions of middle-class workers. We know, for those workers who are eligible, overtime can amount to as much as 25 percent of their yearly income. We should not undermine the ability of working parents to balance their lives and share in the American dream.

The Republican comp time proposal would force our workers to take comp time instead of pay. On top of that pay cut, workers would be at the mercy of their employer when it came to asking to use that accumulated comp time. We all know that comp time often disappears under employer pressures of deadlines and other productivity needs.

I believe it is important that this Congress protect the rights of these hard-working families from an erosion of their quality of life and their ability to spend time with their families. We have to stop these attacks on working families and start moving in the right direction, like expanding the Family and Medical Leave Act.

I hope we also work to protect our workers who rely on tips. As we have heard from my female colleagues on this floor already, nearly two-thirds of

our minimum wage workers in this country are women. Many of them are single parents. Raising the minimum wage can give them a small measure of economic security and the ability to better support their families. Many of these low-wage workers are service workers, people such as hairdressers, maids, and waitresses. Many in Washington State rely on tips as a significant part of their livelihood. We should not support amendments that would undermine the tips our workers rely on. In my State of Washington, that would mean a pay cut of some \$12,000 annually for over 120,000 of our tipped workers.

Finally, I want to say I am very concerned about the proposed tax changes for professional employer organizations. I fear that this change could undermine the fiscal stability of our State unemployment insurance and worker compensation fund. It would also put more burdens on our employers who are already playing by the rules.

Further, it would reduce worker health and safety protections by undermining incentives for companies to maintain safe and healthy workplaces. By the way, it could also provide an opening for those seeking to change the well-established rules of the employer-employee relationship under the Fair Labor Standards Act. I believe there should be serious thought and debate in the Congress before we make such fundamental changes in our labor laws.

In conclusion, we can do this right by passing a clean bill that finally gives American workers the raise they have earned. Over the last 8 years, Washington State has proven that a minimum wage increase is good for our State's economy and helps our economic development. It increases small business ownership and, of course, it helps our workers maintain their quality of life.

I join my colleagues to urge a vote in favor of this bill to increase the minimum wage so that we can finally, and importantly, give our low-income workers the raise they so richly deserve.

I yield the floor.

EXHIBIT 1

[From the New York Times, Jan. 11, 2007]
FOR \$7.93 AN HOUR, IT'S WORTH A TRIP
ACROSS A STATE LINE

(By Timothy Egan)

LIBERTY LAKE, WA. Jan. 9.—Just eight miles separate this town on the Washington side of the state border from Post Falls on the Idaho side. But the towns are nearly \$3 an hour apart in the required minimum wage. Washington pays the highest in the nation, just under \$8 an hour, and Idaho has among the lowest, matching 21 states that have not raised the hourly wage beyond the federal minimum of \$5.15.

Nearly a decade ago, when voters in Washington approved a measure that would give the state's lowest-paid workers a raise nearly every year, many business leaders predicted that small towns on this side of the state line would suffer.

But instead of shriveling up, small-business owners in Washington say they have prospered far beyond their expectations. In fact, as a significant increase in the national minimum wage heads toward law, businesses here at the dividing line between two economies—a real-life laboratory for the debate—have found that raising prices to compensate for higher wages does not necessarily lead to losses in jobs and profits.

Idaho teenagers cross the state line to work in fast-food restaurants in Washington, where the minimum wage is 54 percent higher. That has forced businesses in Idaho to raise their wages to compete.

Business owners say they have had to increase prices somewhat to keep up. But both states are among the nation's leaders in the growth of jobs and personal income, suggesting that an increase in the minimum wage has not hurt the overall economy.

"We're paying the highest wage we've ever had to pay, and our business is still up more than 11 percent over last year," said Tom Singleton, who manages a Papa Murphy's takeout pizza store here, with 13 employees.

His store is flooded with job applicants from Idaho, Mr. Singleton said. Like other business managers in Washington, he said he had less turnover because the jobs paid more.

By contrast, an Idaho restaurant owner, Rob Elder, said he paid more than the minimum wage because he could not find anyone to work for the Idaho minimum at his Post Falls restaurant, the Hot Rod Cafe.

"At \$5.15 an hour, I get zero applicants—or maybe a guy with one leg who wouldn't pass a drug test and wouldn't show up on Saturday night because he wants to get drunk with his buddies," Mr. Elder said.

For years, economists have debated the effect that raising the minimum wage would have on business. While the federal minimum wage has not gone up for 10 years, 29 states have raised their wage beyond the federal minimum.

These increases, according to critics like Brendan Flanagan of the National Restaurant Association, are a burden on the small, mostly family-run businesses in fast food and agriculture that employ workers at the lowest end of the pay scale.

"We see the political momentum for this," said Mr. Flanagan, a vice president at the association, "but we cannot ignore what our members are telling us, which is that it will lead to job losses."

But the state's major business lobby, the Association of Washington Business, is no longer fighting the minimum-wage law, which is adjusted every year in line with the consumer price index.

"You don't see us screaming out loud about this," said Don Brunell, president of the trade group, which represents 6,300 members.

"It's almost a no-brainer," Mr. Brunell said, that the federal minimum should go higher. Association officials say they would like to see some flexibility for rural and small-town businesses, however.

Washington's robust economy, which added nearly 90,000 jobs last year, is proof that even with the country's highest minimum wage, "this is a great place to do business," Mr. Brunell said.

During a recession five years ago, the same group had argued that Washington's high minimum wage law would send businesses fleeing to Idaho. The group sent out a news release with a criticism of the law from John Fazzari, who owns a family-run pizza business in Clarkston, Wash., just minutes from the Idaho town of Lewiston.

But now Mr. Fazzari says business has never been better, and he has no desire to move to Idaho.

"To tell you the truth, my business is fantastic," he said in an interview. "I've never done as much business in my life."

Mr. Fazzari employs 42 people at his pizza parlor. New workers make the Washington minimum, \$7.93 an hour, but veteran employees make more. To compensate for the required annual increase in the minimum wage, Mr. Fazzari said he raises prices slightly. But he said most customers barely notice.

He sells more pizza, he said, because he has a better product, and because his customers are loyal.

"If you look 10 years down the road, we will probably have no minimum wage jobs on this side of the border, and lots of higher-income jobs," Mr. Fazzari said.

Job figures from both states tend to support his point. While Idaho leads the nation in new job growth, it has a far higher percentage of minimum-wage jobs than Washington. Minimum-wage positions make up just 2.4 percent of the jobs in Washington, while about 13 percent of the jobs in Idaho pay at or less than the proposed federal minimum wage, according to a study done for the state last year.

Part of the difference could be accounted for by a lower cost of living in Idaho and the higher percentage of technology, manufacturing and government jobs in Washington, economists say. Still, it is hard to find a teenager in Idaho who lives anywhere near Washington who is willing to work for \$5.15 an hour.

"Are you kidding? There are so many jobs nearby that pay way more than minimum wage," said Jennifer Stadtfeldt, who is 17 and lives in Coeur d'Alene, which is just a few minutes from Washington. She pointed out that Taco Bell, McDonald's and other fast-food outlets in her town were posting signs trying to entice entry-level workers with a starting pay of \$7 an hour.

The House today passed a bill increasing the minimum wage, and about 13 million workers would see a pay raise if the Senate and President Bush approve it. Mr. Bush has said he would approve the wage increase so long as concerns of small-business owners were taken into account; the Senate has not yet taken up the bill.

Several studies have concluded that modest changes in the minimum wage have little effect on employment. A study two months ago by an economist at Washington State University seemed to back the experience of Clarkston and other border towns in Washington. The economist, David Holland, said job loss was minimal when higher wages were forced on all businesses. About 97 percent of all minimum-wage workers were better off when wages went up, he wrote.

But other business groups argue that an increase would hurt consumers and workers at the low end.

In a survey released on the eve of the November elections—in which voters in six states considered raising their minimum wages—the National Restaurant Association said restaurants expected to raise their prices and eliminate some jobs if the voters approved the measures. The initiatives all passed.

Here on this border, business owners have found small ways to raise their prices, and customers say they have barely noticed.

"We used to have a coupon, \$3 off on any family-size pizza, and we changed that to \$2 off," said Mr. Singleton, of Papa Murphy's. "I haven't heard a single complaint."

THE PRESIDING OFFICER. The Senator from Massachusetts, Mr. KERRY, is recognized under the unanimous consent agreement.

Mr. KERRY. Mr. President, I thank my colleague Senator KENNEDY for his courtesy in helping to make it possible for me to have some time.

Mr. KENNEDY. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Mr. President, I know my colleague has already been recognized. There is no time limitation, is there?

The PRESIDING OFFICER. It was up to 20 minutes.

Mr. KENNEDY. Mr. President, I ask unanimous consent that he may be able to speak for as long as he needs to.

Mr. ENZI. There is no objection. I ask unanimous consent that following the majority's speakers, we give time for Senator DEMINT and Senator SUNUNU.

Mr. REID. Mr. President, I ask unanimous consent that I be recognized for a couple minutes, also. I would appreciate that.

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

The Senator from Massachusetts is recognized.

THE STRATEGY IN IRAQ

Mr. KERRY. Mr. President, last November, the American people sent an unmistakable and incredibly important message to their elected leaders. They didn't ask for it, they demanded a change of course in Iraq. The American people understand that the current strategy is not working. They have demanded that we honor the extraordinary effort of our troops by providing a strategy for Iraq that is actually worthy of their sacrifice. They don't consider more of the same—additional troops essentially doing what they have been doing before—they don't consider that anything other than an escalation of our military involvement, linked to the same mistakes and same illusions of the past. They don't consider that an acceptable strategy.

This new Congress comes here with a mandate, as well as a moral obligation, to find not just a new way forward in Iraq but the right way forward. That is what we owe the families; that is what we owe those fighting forces.

It is clear the administration's litany of mistakes has made an incredibly difficult task that much harder and has reduced what we can reasonably expect to accomplish. As the saying goes around here, we are where we are. The mistakes of the past do not change the fact that Congress bears some responsibility for getting us into this war and, therefore, must take responsibility for getting us out.

That responsibility starts by having a real bipartisan dialog on where we go from here. I believe we are finally at the point where that can happen. We all agree about the nobility of the service of our troops. We all agree about the incredible bravery of the men and women of our Armed Forces who put their lives on the line every single day in Iraq. We all want to see a stable Iraq. We all know Iraqis want to see it, too. We all agree on the need to preserve our vital national security interests in the region, and we all agree on

the importance of preventing the violence in Iraq from spreading into a broader regional conflict. We all understand the need to prevent Iraq from becoming a safe haven for al-Qaida and like-minded terrorists. We all understand the potential of regional chaos and of failed states spreading one to the other.

In order to understand, however, where we go from here, we have to remind ourselves of the real nature of this conflict. It is not enough to sort of find some safe haven in rhetoric that points out all of the downsides but continues to pursue a policy that, in fact, increases those downsides, invites those downsides, actually makes matters worse.

The civil war we are in the middle of now didn't begin when we went there. It had been tamped down, quashed by a dictatorship and by history. Before I went back to visit the Middle East, I had the chance to read a book by Vali Nasr, called "The Shia Revival," in which he traces the history of Shiaism and what is happening in the Middle East today. What we learned from that is instructive and critical to determining whether troops will make a difference on how we resolve what is happening in Iraq today.

When the Prophet Mohammed died, Ali, who was his cousin and stepson and virtual son, was passed over at that time to be the caliph. In fact, three people were chosen in between him. Ultimately, he did become the caliph, but that was the beginning of the difference of the separation, if you will, within Islam. That became far more pronounced about 1,300 years ago, around 680, when the grandson of Ali was slaughtered in the desert along with 72 of his followers—72, a number that comes back to haunt us today, because that was indeed an event in Karballah in 682 that defined martyrdom, which we see played to by the extreme religious efforts that are taking place today in the Middle East.

Why do I mention this today? Because that is where the great Shia-Sunni divide began. Ali and his followers were beheaded in the desert, their bodies left to rot in the sun. Their heads were posted, first in Najaf, and later in Damascus. That began to instill a depth of both anger and suppression that has gone on all of these centuries.

The fact is that we, through our invasion and our election, have given the Shia at the ballot box what they never could achieve all of those years, and the Sunni, who have continually been the dominant, more secular faction that managed the affairs of state, are suddenly finding themselves in the minority; many believe they were born to the right to rule and are determined to restore it. This is the civil conflict we have put ourselves in the middle of, with American troops who don't speak the language going door to door and house to house, attempting to somehow make sense of an alien environ-

ment they have been plunged into—from California, Kansas, Missouri, Massachusetts, and all of our States. We are doing precisely what Secretary Rumsfeld said we would not do—putting our troops in the middle of a civil war.

On my recent trip to the Middle East, I heard grave concerns expressed by Sunni leaders, Mubarak and others, about the Shia resurgence and Iran's growing influence in the region. Indeed, Iran's influence has grown, and we are partly responsible, if not significantly responsible, for that growth. We need to stand up for our allies in the region, our Sunni friends, yes. But we can and must do it in a way that doesn't exacerbate the Sunni-Shia rift in the region. That is why we have to ask more of our Sunni allies when it comes to pressuring the Sunnis in Iraq to accept that, with this turn of events called an election, they will no longer—absent a revolution, which some are planning on—be running the country, and that they must lay down their arms and join the political process.

We must make clear that countries such as Saudi Arabia can and must do more to crack down on support for those Sunni insurgents coming into Iraq from their country. We dare not forget that it is the Sunni insurgents who are killing many of our troops. Most of those troops have died in Anbar Province. We have a right to demand more from the Sunni neighbors to quell that insurgency. We must encourage those Sunni neighbors to step up in terms of providing debt relief and reconstruction assistance, and we must make clear that threatening to intervene in Iraq in a way that is perceived as being on behalf of the Sunni minority only serves to exacerbate the Sunni-Shia complexity, the tension that is causing so much of the violence today.

Now here in Washington, a combination of events on the ground and the November election results are beginning to produce a bipartisan resolve to genuinely change course. Many on both sides of the aisle now agree that the administration's plan to escalate the war in Iraq by sending in some 21,500 additional troops would represent a tragic mistake. It won't end the violence; it won't provide security; it won't turn back the clock and avoid the civil war that is in fact already underway; it won't deter terrorists who have a completely different agenda; it won't rein in the militias who are viewed as the protectors of the general population. It will simply postpone the political solution that is the only solution in Iraq, while further damaging our prestige and credibility in the region. Unfortunately, it will also expose our troops to unnecessary death and injury.

Our generals understand this. General Abizaid said clearly in his testimony before the Armed Services Committee that more U.S. troops will not

solve the security problem. In fact, he said they would only slow the process of getting Iraqi security forces to take more responsibility. The Joint Chiefs of Staff unanimously oppose this escalation. In fact, according to recent news reports, the Pentagon warned that any short-term mission may only set up the United States for bigger problems when it ends.

A short-term mission could give an enormous edge to virtually all the armed factions in Iraq, including al-Qaida's foreign fighters, Sunni insurgents and Sunni and Shiite militias, without giving an enduring boost to the U.S. military mission or the Iraqi Army. And it is not just the advice of his military commanders in Iraq the President is ignoring, it is the bipartisan counsel of the Iraq Study Group appointed for the very purpose of defining a new course.

Mr. President, what kind of arrogance so willfully kicks to the curb the work product of two former Secretaries of State, Republicans, a former Attorney General and Chief of Staff, Republican, a former Senator and member of the leadership, Republican, and a group of moderates, a former Secretary of Defense, and others respected for the moderation of their views on foreign policy and security issues? What kind of arrogance avoids almost all of those recommendations and moves in a different direction?

Rather than change course, this administration chose to ignore the generals. In fact, it chose to change the generals. The folly of this escalation is so clear that we have a bipartisan responsibility to do everything in our power to say no.

I ask my colleagues: Is there one colleague here who believes that 21,500 troops is going to pacify Iraq? Is there a colleague here who believes that 100,000 troops will pacify Iraq? It is not enough for Congress simply to go on record opposing the President's reckless plan. That is why I support the resolution submitted by my colleague, Senator KENNEDY, that requires a new congressional authorization, which is appropriate because the prior authorization only applies to the weapons of mass destruction and to the threat that Iraq poses to us based on the presence of Saddam Hussein. This is a new Iraq, and it is an Iraq with a civil war, and the Congress of the United States has a responsibility and a moral obligation to make certain that if our troops from each of our States are going to fight and die, we stand up and be counted as to what the force structure is to be, as to what their mission should be because this administration has proven unwilling to get it right.

Stopping this escalation, however, is not enough. I believe Congress has to provide a responsible exit strategy that preserves our interests in the region, preserves our ability to continue to protect the security of the United States, and honors the sacrifice our troops have made. I believe those are tests we need to pass.

Six months ago in the Senate, we stood against appeals to politics and pride and demanded a date to bring our troops home, to make Iraqis stand up for Iraq and fight a more effective war on terror. But while we lost that roll-call, I still believe it was the right policy to put in place, to demand benchmarks, to demand accountability, and to leverage action.

That is why I will again introduce legislation, slightly different this time, in order to try to offer a comprehensive strategy for achieving a political solution. I believe the strategy I will set forth is the best way forward for America and for Iraq. We have to find a way to end this misguided war and bring our troops home, and the legislation, while protecting all the interests I described, I believe can do that.

I believe the Iraq Study Group's recommendations can form the basis for finding a bipartisan way forward. Many of those proposals, which are consistent with proposals that some in the Senate have long advocated, are incorporated in the legislation I will offer, including launching a major diplomatic initiative, enforcing a series of benchmarks for meeting key political objectives, shifting the military mission to training Iraqi security forces and conducting targeted counterterrorism operations, maintaining an over-the-horizon presence to protect our interests supported by a concerted effort to disarm, demobilize, and reintegrate the militias which must be undertaken by Iraqis.

This legislation includes an additional provision that is a critical component of the strategy. I know a lot of colleagues were nervous about setting a date. Fewer are as nervous today. But I believe there is a way to require the President to set that date, negotiate that exit, a way to do it constitutionally and also within the context of the reauthorization.

I think that is not an arbitrary deadline. In fact, the Iraq Study Group report effectively sets a goal of withdrawing U.S. combat forces from Iraq by the first quarter of 2008, or within approximately 1 year. This date was based on the timeframe for transferring responsibility to Iraqi security forces set forth by General Casey and on the schedule agreed upon with the Iraqi Government itself for achieving key political security objectives.

The President even said that under that new strategy, responsibility for security would be transferred to Iraqis before the end of this year. That is how unarbitrary it is. The President has said it, our generals have said it, the Iraq Study Group has said it.

I wish to repeat this because it is important because it is continually distorted. We all want success, but we have to examine the realities of the road to success. An effort that combines diplomacy with smart deployment of our troops is the only road to success.

I ask my colleagues: Where is the diplomacy? Many of us can remember,

under a Republican President, Henry Kissinger shuttling back and forth day and night working to bring an end to the Vietnam war. Many of us can remember Jim Baker, at the beginning of the decade in the nineties, when he took 15 trips to Syria alone, and on the final trip got President Asad to actually agree to support what we were doing. That is diplomacy.

We don't have that kind of diplomacy. We lack even a special envoy there day to day, hour to hour, leveraging the Arab League, leveraging the United Nations, working with the U.N. Perm Five, working with the neighboring countries, doing the kinds of significant, heavy diplomatic lifting our sons and daughters who are dying deserve.

As our combat troop levels wind down, we can have sufficient forces to confront the Sunni insurgency. We can still continue to prosecute al-Qaida, but our core security interests—the security interests of preventing another terrorist attack on our country—those interests lie where our troops can still play a positive role in confronting Sunni insurgents and their al-Qaida allies. That will happen when we focus on Al Anbar Province, not Baghdad.

It is time for Iraqis to assume responsibility for their country, and that is not just a statement. It has been 4 years, 300,000 troops are trained. When I talk with the military people, they don't tell me training is the problem. They tell me motivation is the problem. Those 300,000 troops are not prepared to die for an Iraq yet, and they are mostly local militia and/or local tribe affiliated, which is their true allegiance at this point in time.

We need a timetable which forces Iraqi politicians to confront this reality. Americans should not be dying because Iraqi politicians refuse to compromise and come together. If they are not willing to do it today with thousands of people dying around them, with this kind of sectarian violence, what will make them more willing to do that in a year? They are using the security blanket of American presence in order to avoid making those compromises, and we need to understand that and get about the business of leveraging the compromise that is the only solution to what is happening in Iraq.

I believe a deadline will actually help provide the Iraqis with the motivation and the pressure to step up and take control. General Abizaid made it clear that is essential to our strategy. The key to providing the motivation is making sure they, in fact, begin to take control and begin to define their own future.

As we give the Iraqis more control over their own destiny, we also have to hold them accountable for the fundamentals of leading their country on the construction, as well as the basic resolution, the political differences within the oil revenues, the federalism

issue, which are the two great stumbling blocks fundamental to a resolution.

Why the President didn't make the condition of providing additional security and putting additional Americans online, why he didn't make their resolution of those issues a precondition is beyond me. But American forces are now going to be put at greater risk, more kids at harm, without the fundamentals that are essential and that are completely out of the power of any squad or company or battalion to be able to resolve.

When Prime Minister Maliki took power in May, General Casey and Ambassador Khalilzad said the new Government had 6 months to make the political compromises necessary to win public confidence and unify the country—6 months last May. They were right. And yet with no real deadline to force the Government's hand, that period passed without any meaningful action, and we are now seeing the disastrous results.

To ensure history does not repeat itself, we need to put those benchmarks in place, and we need to have those benchmarks agreed upon. That is the least, again, we can ask on behalf of our troops.

I, also, believe a deadline is essential to getting Iraq's neighbors to face up to the realities of the security needs of the region. If we are going to be concerned about Iran, it should not be surreptitiously based on them using us. It should be all of us together defining a new security arrangement for the region. General Zinni has talked about that many times. He is one of the most respected hands in that region.

In addition, our own intelligence agencies tell us that the war in Iraq is fanning the flames of jihad, and we have to stop serving as an al-Qaida recruitment tool. When are we going to take that seriously in the Senate? We spent a lot of time and energy to reorganize the intelligence community. We supposedly have the best intelligence now, and that intelligence in the conglomerate is telling us that this current policy is putting America at greater risk because we are creating more terrorists, fanning the flames of unrest in the region, and creating a recruitment tool for al-Qaida in that region.

We can see the results. Hamas is more powerful now. Hezbollah and Nasrallah are more powerful today. Iran is more powerful today. Syria is more than willing to play with Iran than care about what the concerns might be of the rest of the region.

We have gone backward because of this policy. How can this administration stand up and say to us that we have to fear the security interests of the future, when the security interests of the present are moving in the wrong direction?

Afghanistan, where the diversion of resources to Iraq has already allowed the Taliban to rise again, is increasing

as a threat to those long-term security interests. Osama bin Laden roams free while a regenerated al-Qaida continues to plot attacks on American interests, and the flourishing opium trade has turned the country into a virtual narco-state, funding insurgents and warlords and threatening the viability of the Karzai Government.

Now our generals in Afghanistan are warning, in the darkest possible terms, that the Taliban is poised to launch a major new offensive in Afghanistan, and they have issued an urgent appeal for more U.S. troops to fight back. Instead of sending 20,000 troops over to Iraq, we ought to be listening to our military commanders and give them the few thousand more troops they desperately need to deal with the Taliban in Afghanistan.

On the broader regional front, we clearly need to come to grips with the need to engage Iran in a way that not only deters Iran from nuclear and other military adventurism, but does not create another disastrous war that is not in our national security interest. I want to take one moment before closing to speak to that point.

I am hardly the only one in the Senate who is concerned about a terrible byproduct of the administration's escalation plan for Iraq. That byproduct could be movement towards a calculated military conflict with Iran, which would further destabilize the Middle East, fan the flames of intra-Muslim and Muslim-Western violence. In fact, many Americans are increasingly concerned that the administration's rhetoric regarding Iran sounds eerily familiar.

Congress must make it absolutely certain that we do not make the same mistake we made in rushing to war with Iraq, starting by making it clear President Bush does not have the authority to engage Iran militarily, excepting, of course, an immediate attack on our troops or a definable and palpable emergency. He does not have the authority to engage them without express congressional authorization.

Looking at recent developments, it is not hard to see why people are concerned. In the President's speech introducing his new Iraq strategy, he issued a thinly veiled threat that sounded as though the administration was at least contemplating military operations on the Iranian side of the border. In the last few weeks we have arrested Iranian nationals in two separate incidents in Iraq. The initial operations against Shiite militias in Baghdad at a minimum are bound to exacerbate tensions with Iran even further, and we recently sent another aircraft carrier to the region, ratcheting up our aggressive posture.

Taken alone, individually, there is a certain logic to each of those actions. Taken on the whole, however, they have created an impression in the region, and as we all know impressions are what ultimately push leaders to make judgments about threat and to

make determinations about their own actions. The impression in the region is that we have taken the side of the Sunnis in the conflict with Iraq. Whether that is true or not, we must never forget that in the Middle East especially, perception is reality. If we are seen to be favoring the Sunnis, we run the risk of alienating the Shiite majority that will ultimately be running Iraq—that is the reality—and inflaming extremism throughout the region. It is essential that we remain even-handed in our own actions as well as our words in our efforts to bring stability to Iraq.

There is another reason, as the Iraqi Study Group suggested, we should engage Iran and Syria. Leadership means talking to countries who are not our friends. President Kennedy reminded us: Never fear to negotiate but never negotiate out of fear. We need to engage directly when our vital national security interests are at stake. We have done it all through our history. Richard Nixon sent Henry Kissinger to China. President Reagan went to meet with Miguel Gorbachev and came to an agreement on arms after defining the "evil empire." The conversation that I had recently in the Middle East with Senator DODD, when we traveled there together with President Asad of Syria, led us to believe that a dialog could, in fact, be constructed in working toward a goal that we share with Syria: creating a stable, secular, Arab Iraq. That is at least what President Asad said he would like. It seems to me, given the morass we are in, it is worth putting that to the test.

We cannot turn back the clock and reverse the decisions that brought us to this pass in Iraq and the Middle East. We cannot achieve the kind of clear and simple victory the administration promised the American people so often even as the conditions in Iraq grew worse and worse. But we can avoid an outright defeat. We can avoid creating the chaos we say we want to avoid. We can avoid a victory for our adversaries by identifying specifically what we can and cannot accomplish in Iraq.

With a new Congress comes a new responsibility: to get this policy right. That starts with preventing the President from going forward with this senseless escalation. And it has to end with finding an exit strategy that preserves our core interests in Iraq, in the region, and throughout the world.

I look forward to having a real debate. I hope we can find that way.

I might mention, when Senator DODD and I were about to helicopter out of Baghdad, we were at Landing Zone Washington, which is right in the Green Zone. Many Senators are familiar with it. In the darkness of night, as we were leaving, a young man came up to us to talk to us and he identified himself as an officer in the Army. He was going home for leave and was hitching a ride on the helicopter to go home. He went home, visited his 14-

month-old daughter and, I think, his 4-year-old son, if I am correct. His name was Brian Freeman and he was intelligent and thoughtful and bright and he talked about his future and talked with us animatedly about what was going on in Iraq and how he disagreed with what he was being asked to do and how others did. He went home, and we just learned that this Friday he was killed. So he went back. He did his duty as so many have.

I know when I returned from war, almost 40 years ago now, I stood up and spoke from my heart and my gut about what I thought was wrong. To this day that has been controversial in some quarters, but I am proud that I told the truth. And that truth has been documented again and again from Army training manuals to books that have been written to the statements of our own Secretary of Defense at that time, Robert McNamara. But, before I finish, I want to make it clear that that is my motivation in talking about this war now and this predicament that so many of these soldiers find themselves in.

I asked the question in 1971: How do you ask a man to be the last man to die for a mistake? Although I knew going into public service I wanted to be in a place where I could have an impact should there be a choice of war in the future, but I never thought that I would be reliving the need to ask that question again.

We are there. Most of our colleagues understand this is a mistake. Most of our colleagues understand that 21,000 troops is not going to pacify Iraq. So all of us have a deep-rooted obligation, a deep moral obligation to ask ourselves what we can do to further the interests of our Nation and honor the sacrifices of those troops themselves. I think it is to get this policy right. I hope the President will truly listen to us in these next days because we want to work in good faith to do that.

Before I finish, I want to add a note, both personal and political. Two years ago I sought the Presidency to lead us on a different course. I am proud of the campaign we ran, proud of the fact that 3 years ago I said that Iraq was the wrong war, in the wrong place, at the wrong time; proud that we defined energy independence and made it, for the first time, part of the Presidential race; proud of a health care plan that we laid out that to this moment remains viable and waiting to be used in order to lower the health care costs for our fellow Americans.

We came close, certainly close enough, to be tempted to try again. There are powerful reasons to want to continue that fight now. But I have concluded this is not the time for me to mount a Presidential campaign. It is time to put my energy to work as part of the majority in the Senate to do all I can to end this war and strengthen our security and our ability to fight the real war on terror.

The people of Massachusetts have given me an incredible privilege to

serve, and I intend to work here to change a policy in Iraq that threatens all that I have cared about and fought for since I came home from Vietnam.

The fact is, what happens here in the next 2 years may irrevocably shape or terribly distort the administration of whichever candidate is next elected President. Decisions are being taken and put into effect today and in the days to come that may leave to the next President a wider war, a war even more painful, more difficult, more prolonged than the war we already have.

Iraq, if we Senators force a change of course, may yet bring stability and an exit with American security intact or it may bring our efforts in the region to a failure that we will all recognize as a catastrophe.

I don't want the next President to find that he or she has inherited a nation still divided and a policy destined to end as Vietnam did, in a bitter or sad legacy. I intend to devote all my efforts and energies over the next 2 years, not to the race for the Presidency for myself but for doing whatever I can to ensure that the next President can take the oath with a reasonable prospect of success for him or her—for the United States. And I intend to speak the truth as I find it without regard for political correctness or partisan advantage, to advise my colleagues and my fellow citizens to the best of my ability and judgment, and to support every action the Senate may reasonably and constitutionally take to guide and direct the ship of state.

This mission, this responsibility, is something all of us must accept, and as someone who made the mistake of voting for the resolution that gave the President the authority to go to war, I feel the weight of a personal responsibility to act, to devote time and energy to the national dialog in an effort to limit this war and bring our participation to a conclusion.

The PRESIDING OFFICER (Mr. SANDERS). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I know how difficult of a decision this is for Senator KERRY to make. And today, I say to the people of the country how proud all of us in Massachusetts are of JOHN KERRY, and his outstanding service in the United States Senate for our State and for our country. Throughout his career, he has been a true hero in every sense of the word.

He has been my colleague since 1984, and I have deeply valued the opportunity to work side-by-side with him, but most of all I'm proud to call him my friend. Over the years, Vicki and I have grown so close to JOHN and his wonderful wife Teresa and his loving daughters Vanessa and Alexandra. They are a special family, and their friendship is one we cherish.

We heard just a few moments ago why he was able to galvanize the country, and earn such tremendous support, in the 2004 Presidential campaign. The

eloquence, the passion, the insight, the knowledge of history, and awareness of public events—these qualities we saw on display just moments ago in this Chamber—these are the qualities that characterize and define the career of JOHN KERRY.

Now JOHN has decided to continue to devote his passion, his interest, and his energies toward bringing our troops home from Iraq safely, and how fortunate they are to know that he will devote all of his energies to that cause over the next months—hopefully not years. All of us in Massachusetts look forward to his continued service in the United States Senate for years to come and to his voice and his vote working here for the working people of Massachusetts, for their jobs, for their health care, for the education of their children, for the betterment of their environment, and for their hope for a better quality of life. He's been there for us in the past on so many of these critical concerns, and we take comfort in knowing he'll be there for all of us in the future as well.

I know this has been a difficult time for JOHN. I congratulate him on an outstanding presentation this afternoon, and for his courage and determination. I congratulate him for continuing to want to make a very important difference on the overarching and overriding issue of our time, and that is how we can remedy this catastrophic mistake of Iraq and bring our servicemen home safely.

I'm grateful to be able to call JOHN KERRY my colleague and friend, and look forward to working with him for years to come.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have had the good fortune in my lifetime, my adult life, to see people for whom I have developed a tremendous respect and admiration, and certainly one of those people is JOHN KERRY. Why? Why would I say that about JOHN KERRY? Why would I say that as I have traveled through life he is one of those people who has meant so much to me in being a role model for the things that I do and the things that I think the American people should focus on?

He has a tremendous educational background—Yale, Boston College. He was a prosecutor. He was a war hero. A war hero—multiple awards, fighting in the jungles of Vietnam, for heroism. We saw someone last night stand in the House Chamber whom the President directed, who received the Silver Star, and that is wonderful. We all looked at him with admiration. JOHN KERRY has had a Silver Star, multiple Purple Hearts—I repeat, multiple awards for bravery. He is a political activist, someone who at great sacrifice decided to do gallant things after his heroic efforts in Vietnam. He came home and continued being a hero politically. The people of Massachusetts elected him to Lieutenant Governor, a job I also had,

and I have some understanding about that job. He came to Congress the year I did. In 1982, we both came here. He is a cancer survivor. His wife is one of the most remarkable people I have ever met. Teresa Heinz is a real fighter in her own way. I knew her before the Presidential election, but I got to know her very well during the Presidential election, and I like her so much.

JOHN KERRY was my nominee for President of the United States. I worked hard for JOHN KERRY. I believed in JOHN KERRY. I believed JOHN KERRY would change the direction of this country and the world. I still believe that. JOHN KERRY came within a few votes of being President of the United States in one of the dirtiest, most negative, unfair campaigns I have ever witnessed. I am not going to go into all the things they did to JOHN KERRY other than to say that to try to take away from this man, his gallantry as a warfighter, was beyond the pale, but they did it.

JOHN KERRY and I have shared heartache together. We have done it recently. I will always have admiration and respect for JOHN KERRY. The mere fact that he announced he is not running for President speaks well of this gallant man, this heroic man, because he could run for President. He has money in the bank, so to speak. He knows people all over America. He has the best e-mail addresses in the country. He has chosen that this is not the time. But I will continue to look to JOHN KERRY for his leadership in foreign affairs. He is a man who knows this world. Listen to the speech he just gave on the conflict in Iraq, a textbook address about the ills of the present status of what we are doing in Iraq. He will approach whatever he does with a sense of morality. He will proceed to be one of the leaders, as he has been for decades, on the environment. He has a book coming out soon with his wife, and I am sure it will lay out things he has believed in for so long, such as health care. He is the chairman of the Small Business Committee.

So I say to JOHN KERRY: I love you, JOHN KERRY. I am so sorry things didn't work out for our country, but that doesn't take away from the fact that I will always care about you greatly and remember the times we have spent together. We have a lot more to do for Massachusetts, Nevada, and the country.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, before I engage in my business, I also would like to say to Senator KERRY that I, too, am honored to serve with you, and I appreciate the remarks that have been made about you today.

AMENDMENTS NOS. 155, 156, 157, 158, 159, 160, 161, AND 162, EN BLOC, TO AMENDMENT NO. 100

Mr. DEMINT. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside and that I be permitted to offer amendments Nos. 155 through 162, en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, as I understand, there are two speakers. I would like to ask unanimous consent that following the two speakers, Senator ENZI identify the Senator from Colorado, Mr. SALAZAR, to be recognized.

The PRESIDING OFFICER. The Senator from South Carolina has a unanimous consent request pending. Is there objection to that request? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, if the Senator would be kind enough to permit me to ask unanimous consent that following the next two speakers, the Senator from Colorado, Mr. SALAZAR, be recognized.

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

Mr. KENNEDY. I thank the Chair.

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes en bloc amendments numbered 155 through 162.

Mr. DEMINT. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 155

(The amendment is printed in the RECORD of Tuesday, January 23, 2007 under "Text of Amendments.")

AMENDMENT NO. 156

(Purpose: To amend the Internal Revenue code of 1986 regarding the disposition of unused health benefits in cafeteria plans and flexible spending arrangements)

At the appropriate place, insert the following:

SEC. . . . DISPOSITION OF UNUSED HEALTH BENEFITS IN CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.

(a) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (j) and (k), respectively, and by inserting after subsection (g) the following:

“(h) CONTRIBUTIONS OF CERTAIN UNUSED HEALTH BENEFITS.—

“(1) IN GENERAL.—For purposes of this title, a plan or other arrangement shall not fail to be treated as a cafeteria plan solely because qualified benefits under such plan include a health flexible spending arrangement under which not more than \$500 of unused health benefits may be—

“(A) carried forward to the succeeding plan year of such health flexible spending arrangement, or

“(B) to the extent permitted by section 106(d), contributed by the employer to a health savings account (as defined in section 223(d)) maintained for the benefit of the employee.

“(2) HEALTH FLEXIBLE SPENDING ARRANGEMENT.—For purposes of this subsection, the term ‘health flexible spending arrangement’ means a flexible spending arrangement (as defined in section 106(c)) that is a qualified benefit and only permits reimbursement for expenses for medical care (as defined in section 213(d)(1)), without regard to subparagraphs (C) and (D) thereof.

“(3) UNUSED HEALTH BENEFITS.—For purposes of this subsection, with respect to an employee, the term ‘unused health benefits’ means the excess of—

“(A) the maximum amount of reimbursement allowable to the employee for a plan year under a health flexible spending arrangement, over

“(B) the actual amount of reimbursement for such year under such arrangement.”.

(b) REPEAL OF FSA TERMINATION PROVISION.—

(1) IN GENERAL.—Subsection (e) of section 106 of the Internal Revenue Code of 1986, as added by the Tax Relief and Health Care Act of 2006, is amended by striking “health flexible spending arrangement or” each place it appears.

(2) CONFORMING AMENDMENTS.—

(A) The heading of section 106(e) of such Code is amended by striking “FSA OR”.

(B) Section 223(c)(1)(B)(iii)(II) of such Code, as added by the Tax Relief and Health Care Act of 2006, is amended to read as follows:

“(II) the balance of such arrangement is contributed by the employer to a health savings account of the individual under section 125(h)(1)(B), in accordance with rules prescribed by the Secretary.”.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2010.

AMENDMENT NO. 157

(Purpose: To increase The Federal minimum wage by an amount that is based on applicable State minimum wages)

In section 2 of the bill, strike subsection (a) and insert the following:

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007, an amount equal to the minimum wage in effect on such date in the State in which such employee is employed (whether as a result of the application of Federal or State law) increased by \$0.70;

“(B) beginning 12 months after that 60th day, the amount that would be determined under subparagraph (A) by substituting ‘\$1.40’ for ‘\$0.70’; and

“(C) beginning 24 months after that 60th day, the amount that would be determined under subparagraph (A) by substituting ‘\$2.10’ for ‘\$0.70’;”.

AMENDMENT NO. 158

(Purpose: To increase the Federal minimum wage by an amount that is based on applicable State minimum wages)

In section 101 of the amendment, strike subsection (a) and insert the following:

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007, an amount equal to the minimum wage in effect on such date in the State in which such employee is employed (whether as a result of the application of Federal or State law) increased by \$0.70;

“(B) beginning 12 months after that 60th day, the amount that would be determined under subparagraph (A) by substituting ‘\$1.40’ for ‘\$0.70’; and

“(C) beginning 24 months after that 60th day, the amount that would be determined under subparagraph (A) by substituting ‘\$2.10’ for ‘\$0.70’;”.

AMENDMENT NO. 159

(Purpose: To protect individuals from having their money involuntarily collected and used for lobbying by a labor organization)

At the appropriate place, insert the following:

SEC. ____ . PROTECTION OF WORKERS' POLITICAL RIGHTS.

Title III of the Labor Management Relations Act, 1947 (29 U.S.C. 185 et seq.) is amended by adding at the end the following: **"SEC. 304. PROTECTION OF WORKER'S POLITICAL RIGHTS.**

"(a) PROHIBITION.—Except with the separate, prior, written, voluntary authorization of an individual, it shall be unlawful for any labor organization to collect from or assess its members or nonmembers any dues, initiation fee, or other payment if any part of such dues, fee, or payment will be used to lobby members of Congress or Congressional staff for the purpose of influencing legislation.

"(b) AUTHORIZATION.—An authorization described in subsection (a) shall remain in effect until revoked and may be revoked at any time."

AMENDMENT NO. 160

(Purpose: To amend the Internal Revenue Code of 1986 to allow certain small businesses to defer payment of tax)

At the appropriate place, insert the following:

SEC. ____ . DEFERRED PAYMENT OF TAX BY CERTAIN SMALL BUSINESSES.

(a) IN GENERAL.—Subchapter B of chapter 62 (relating to extensions of time for payment of tax) is amended by adding at the end the following new section:

"SEC. 6168. EXTENSION OF TIME FOR PAYMENT OF TAX FOR CERTAIN SMALL BUSINESSES.

"(a) IN GENERAL.—An eligible small business may elect to pay the tax imposed by chapter 1 in 4 equal installments.

"(b) LIMITATION.—The maximum amount of tax which may be paid in installments under this section for any taxable year shall not exceed whichever of the following is the least:

"(1) The tax imposed by chapter 1 for the taxable year.

"(2) The amount contributed by the taxpayer into a BRIDGE Account during such year.

"(3) The excess of \$250,000 over the aggregate amount of tax for which an election under this section was made by the taxpayer (or any predecessor) for all prior taxable years.

"(c) ELIGIBLE SMALL BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible small business' means, with respect to any taxable year, any person if—

"(A) such person meets the active business requirements of section 1202(e) throughout such taxable year,

"(B) the taxpayer has gross receipts of \$10,000,000 or less for the taxable year,

"(C) the gross receipts of the taxpayer for such taxable year are at least 10 percent greater than the average annual gross receipts of the taxpayer (or any predecessor) for the 2 prior taxable years, and

"(D) the taxpayer uses an accrual method of accounting.

"(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply for purposes of this subsection.

"(d) DATE FOR PAYMENT OF INSTALLMENTS; TIME FOR PAYMENT OF INTEREST.—

"(1) DATE FOR PAYMENT OF INSTALLMENTS.—

"(A) IN GENERAL.—If an election is made under this section for any taxable year, the

first installment shall be paid on or before the due date for such installment and each succeeding installment shall be paid on or before the date which is 1 year after the date prescribed by this paragraph for payment of the preceding installment.

"(B) DUE DATE FOR FIRST INSTALLMENT.—The due date for the first installment for a taxable year shall be whichever of the following is the earliest:

"(i) The date selected by the taxpayer.

"(ii) The date which is 2 years after the date prescribed by section 6151(a) for payment of the tax for such taxable year.

"(2) TIME FOR PAYMENT OF INTEREST.—If the time for payment of any amount of tax has been extended under this section—

"(A) INTEREST FOR PERIOD BEFORE DUE DATE OF FIRST INSTALLMENT.—Interest payable under section 6601 on any unpaid portion of such amount attributable to the period before the due date for the first installment shall be paid annually.

"(B) INTEREST DURING INSTALLMENT PERIOD.—Interest payable under section 6601 on any unpaid portion of such amount attributable to any period after such period shall be paid at the same time as, and as a part of, each installment payment of the tax.

"(C) INTEREST IN THE CASE OF CERTAIN DEFICIENCIES.—In the case of a deficiency to which subsection (e)(3) applies for a taxable year which is assessed after the due date for the first installment for such year, interest attributable to the period before such due date, and interest assigned under subparagraph (B) to any installment the date for payment of which has arrived on or before the date of the assessment of the deficiency, shall be paid upon notice and demand from the Secretary.

"(e) SPECIAL RULES.—

"(1) APPLICATION OF LIMITATION TO PARTNERS AND S CORPORATION SHAREHOLDERS.—

"(A) IN GENERAL.—In applying this section to a partnership which is an eligible small business—

"(i) the election under subsection (a) shall be made by the partnership,

"(ii) the amount referred to in subsection (b)(1) shall be the sum of each partner's tax which is attributable to items of the partnership and assuming the highest marginal rate under section 1, and

"(iii) the partnership shall be treated as the taxpayer referred to in paragraphs (2) and (3) of subsection (b).

"(B) OVERALL LIMITATION ALSO APPLIED AT PARTNER LEVEL.—In the case of a partner in a partnership, the limitation under subsection (b)(3) shall be applied at the partnership and partner levels.

"(C) SIMILAR RULES FOR S CORPORATIONS.—Rules similar to the rules of subparagraphs (A) and (B) shall apply to shareholders in an S corporation.

"(2) ACCELERATION OF PAYMENT IN CERTAIN CASES.—

"(A) IN GENERAL.—If—

"(i) the taxpayer ceases to meet the requirement of subsection (c)(1)(A), or

"(ii) there is an ownership change with respect to the taxpayer,

then the extension of time for payment of tax provided in subsection (a) shall cease to apply, and the unpaid portion of the tax payable in installments shall be paid on or before the due date for filing the return of tax imposed by chapter 1 for the first taxable year following such cessation.

"(B) OWNERSHIP CHANGE.—For purposes of subparagraph (A), in the case of a corporation, the term 'ownership change' has the meaning given to such term by section 382. Rules similar to the rules applicable under the preceding sentence shall apply to a partnership.

"(3) PRORATION OF DEFICIENCY TO INSTALLMENTS.—Rules similar to the rules of section

6166(e) shall apply for purposes of this section.

"(f) BRIDGE ACCOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'BRIDGE Account' means a trust created or organized in the United States for the exclusive benefit of an eligible small business, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deferral under subsection (b) for such year.

"(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

"(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

"(D) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(E) Amounts in the trust may be used only—

"(i) as security for a loan to the business or for repayment of such loan, or

"(ii) to pay the installments under this section.

"(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a BRIDGE Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

"(3) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a BRIDGE Account on the last day of a taxable year if such payment is made on account of such taxable year and is made within 3½ months after the close of such taxable year.

"(g) REPORTS.—The Secretary may require such reporting as the Secretary determines to be appropriate to carry out this section.

"(h) APPLICATION OF SECTION.—This section shall apply to taxes imposed for taxable years beginning after December 31, 2010, and before January 1, 2015."

(b) PRIORITY OF LENDER.—Subsection (b) of section 6323 is amended by adding at the end the following new paragraph:

"(1) LOANS SECURED BY BRIDGE ACCOUNTS.—With respect to a BRIDGE account (as defined in section 6168(f)) with any bank (as defined in section 408(n)), to the extent of any loan made by such bank without actual notice or knowledge of the existence of such lien, as against such bank, if such loan is secured by such account."

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 62 is amended by adding at the end the following new item:

"Sec. 6168. Extension of time for payment of tax for certain small businesses."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

(e) STUDY BY GENERAL ACCOUNTING OFFICE.—

(1) STUDY.—In consultation with the Secretary of the Treasury, the Comptroller General of the United States shall undertake a study to evaluate the applicability (including administrative aspects) and impact of the BRIDGE Act of 2007 including how it affects the capital funding needs of businesses

under the Act and number of businesses benefiting.

(2) REPORT.—Not later than March 31, 2014, the Comptroller General shall transmit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a written report presenting the results of the study conducted pursuant to this subsection, together with such recommendations for legislative or administrative changes as the Comptroller General determines are appropriate.

AMENDMENT NO. 161

(Purpose: To prohibit the use of flexible schedules by Federal employees unless such flexibl schedule benefits are made available to private sector employees not later than 1 year after the date of enactment of the Fair Minimum Wage Act of 2007)

At the appropriate place, insert the following:

SEC. . FLEXIBLE SCHEDULE PROGRAMS.

(a) PROHIBITION OF USE OF FLEXIBLE SCHEDULES FOR FEDERAL EMPLOYEES UNTIL FLEXIBLE SCHEDULES ARE AVAILABLE TO PRIVATE EMPLOYEES.—

(1) PROHIBITION OF USE OF FLEXIBLE SCHEDULES FOR FEDERAL EMPLOYEES.—Notwithstanding any provision of subchapter II of chapter 61 of title 5, United States Code, no agency may establish, administer, or use any flexible schedule program authorized under section 6122 of that title.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect 1 year after the date of enactment of this Act, unless during such 1 year period, the Secretary of Labor submits certification to the Office of Personnel Management that a statute has been enacted that allows employers covered by the Fair Labor Standards Act of 1938 to provide for the use of a flexible schedule similar to the flexible schedule program authorized under section 6122 of title 5, United States Code, for employees engaged in commerce or in the production of goods for commerce.

(b) TERMINATION OF PROHIBITION.—If the prohibition under subsection (a) takes effect, that subsection shall cease to have any force or effect on the date that the Secretary of Labor submits a certification described in subsection (a)(2) to the Office of Personnel Management.

AMENDMENT NO. 162

(Purpose: To amend the Fair Labor Standards Act of 1938 regarding the minimum wage)

At the appropriate place, insert the following:

SEC. . ENTERPRISE ENGAGED IN COMMERCE.

(a) ANNUAL GROSS VOLUME OF SALES.—Section 3(s)(1)(A)(ii) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(s)(1)(A)(ii)) is amended by striking “\$500,000” and inserting “\$1,080,000”.

(b) APPLICABILITY OF MINIMUM WAGE.—Section 6 of the Fair Labor Standards Act of 1938 (20 U.S.C. 206) is amended—

(1) in subsection (a), by striking “is engaged in commerce or in the production of goods for commerce, or”; and

(2) in subsection (b), by striking “is engaged in commerce or in the production of goods for commerce, or”.

Mr. DEMINT. Mr. President, I thank my colleagues here on the floor for allowing me to offer these amendments. I know the leadership on the other side is anxious to end debate on this bill and move on to other things, so I will keep any remarks as brief as possible. I would be happy to work with the managers of the bill, the Senators from

Massachusetts and Wyoming, to work out additional time for debate if that is necessary.

The minimum wage is a debate about fairness. Many Americans see a minimum wage as a fundamental right and something that should be increased to keep up with rising costs. Many economists see it differently. They understand it is only an entry wage and that with on-the-job training, most people do not stay at the minimum wage for very long. Economists also understand that very few people in America actually earn the minimum wage which is currently at \$5.15 per hour. Those who do are mostly teenagers, part-time workers, second earners in a home, or workers with very limited skills.

Nevertheless, this debate has become a measure of how much we care for workers, and that is what this debate should be about. If we are going to be serious about helping Americans earn higher wages and helping them keep more of what they earn, we must consider additional measures to ensure American prosperity.

That is why I am offering these amendments today. They will not only ensure fairness for workers, they will also help protect small businesses that employ them. Americans realize that if we pass laws here in Washington that are aimed at helping workers but end up eliminating their jobs, we have done more harm than good.

My first amendment, No. 158, would raise the effective minimum wage in each State by \$2.10 per hour. Now, I know most people listening believe that is what this amendment does, but far from it. Without this amendment, the underlying legislation will partially exempt minimum wage workers in high-cost States that already have State minimum wage rates greater than \$5.15 per hour, and it will completely exempt minimum wage workers in the highest cost States that have State minimum wage rates greater than \$7.25. Many States—actually, 29 States—have already recognized that their cost of living is much higher than other States, and these States have passed their own minimum wage increases. So the cost of living all around the country is quite different.

If you look at some high-cost cities and States, such as Boston, MA, for instance—35 percent higher cost of living than the national average—and contrast that with Alabama, Mobile, AL—it is minus 11 percent of the national average—you have a large swing in the cost of living. Effectively, what we have is while Massachusetts now has a minimum wage of \$7.50 an hour, that does not do a worker as much good in Massachusetts as \$5.15 does for a worker in Alabama; the cost of living is significantly different.

As we look around the country, we see the highest cost States are Massachusetts and Connecticut and Vermont and New York. You can go over to Illinois at 17 percent. We get down in the Southern States, and we see minus 10

percent of the national average in Texas or minus 11 in Arkansas or minus 12 in Oklahoma. The States and the cost of living across our country are very different. Thankfully, a number of States—29 of them—have recognized that and raised their minimum wage.

But if we are going to make a promise to American workers that we are going to raise their salary, particularly minimum wage workers, then I believe we should do it for all workers. We should look at how this underlying bill is really going to affect workers. The blue States here are States that get a small increase or less than 10 cents from this \$2.10 we are talking about.

A few minutes ago, the Senator from Washington State was giving a passionate plea that minimum wage workers get an increase, but Washington State minimum wage workers will get no increase from this bill. The same for Oregon and California. Our dear colleague from Massachusetts, Senator KENNEDY, is one of the most passionate advocates of increasing the minimum wage. Yet this bill we are going to pass today will not give one minimum wage worker in Massachusetts an increase. They get nothing. All of the blue States, the high-cost States where an increase is the most important—Vermont, Massachusetts, Connecticut, Rhode Island—they get no increase. Illinois gets less than 10 cents from the \$2.10 increase. So the blue States where workers really could use an additional increase, particularly minimum wage workers, get little or nothing.

When we look at the white States, these are the States which don't get the whole \$2.10 increase. The red States are the only States where the whole \$2.10 increase will actually go to minimum wage workers.

So in effect, we are making a lot of false promises here today. A lot of the debate, the most passionate debate, is coming from Senators who represent States which will get little or nothing from this minimum wage increase.

I believe we should do what the States do and recognize that the cost of living is different. My amendment is very simple. It says: Let's make all of the States the same color. Let's make them red or blue. But every minimum wage worker in this country should get a \$2.10 increase, and that is what my amendment would do. It would be fair to all workers.

That first amendment was actually my first and second amendment. We have two versions of that, Nos. 158 and 159.

My third amendment, No. 155, would expand access to affordable health care to millions of Americans. It would do three things. And we do need to keep in mind that one of the biggest costs for workers, particularly those working at the minimum wage level, is health care. Very few have health insurance. Many are part-time workers. This amendment would do three things:

First, it would allow workers to purchase less expensive coverage anywhere in the country. It would also allow them to use the funds in their health savings accounts to pay for their health insurance policy, and it would allow them to roll over, or keep, \$500 in unspent benefits in their flexible spending accounts. Many Federal employees now have flexible spending accounts, and they are starting to realize that even though it is their own money, the way this law is set up, if they don't spend it all, they lose what is left at the end of the year. This amendment would fix that.

If Congress is serious about helping American workers, it must do something to address the rising costs of health care. By allowing Americans to purchase health coverage across State lines, they would gain access to less expensive health plans.

My fourth amendment would pick up on part of the other amendment and focus specifically on flexible spending accounts, allowing workers to keep up the \$500 that is unspent in those accounts at the end of the year so they do not have to spend it on something they do not need or actually lose it. Again, it is their money. We should not take it from them.

My fifth amendment is tax deferral for high-growth small business companies. Most of the jobs in this country are actually created by small companies that are growing at a 10-percent rate or higher. We have identified—and this is something we have been working on for years—what is called a capital funding gap that prevents a lot of small businesses from getting the capital they need to continue their growth. Actually, if you go back to the 107th Congress, I worked on this when I was on the House side with Senator KERRY and Senator SNOWE who introduced this same legislation to help small businesses keep some of their cash in order to grow their business. It simply allows them to defer Federal taxes if they are plowing it into the growth of their companies. This is very relevant to low-income workers because many low-income workers, even minimum wage workers, work for small businesses that are growing.

This would help those companies grow by deferring taxes. They have to pay all this money back with interest, but it allows them to continue to grow, using their own cash flow.

My sixth amendment, No. 159, is an important amendment for a lot of hourly workers who are union members. It prevents labor unions from using members' union dues to lobby Congress without prior separate and written consent of that member. Union dues, like taxes, are compulsory for union workers. This is the same amendment I offered to the lobby reform legislation, but since it was not given consideration, I am offering it again. This is not only an ethics and lobbying issue but a fairness issue for millions of union members in America.

If they were not forced to pay for things they do not support, they could save a lot of money with lower union dues.

My seventh amendment is updating the small business minimum wage exemption. The last time this exemption was raised, the minimum wage was \$3.35. This simply allows small companies not to pay the minimum wage, particularly those offering other benefits—tips or health benefits—and gives an exemption. Right now, it is only \$500,000 a year. We raise that to \$1 million with this amendment, allowing the small businesses some flexibility in hiring teenagers and other workers at the trainee level.

The last amendment, my eighth amendment, and the final amendment, repeals flextime benefits for Federal employees after 1 year if comparable benefits are not extended to private sector workers. A lot of people who are opposed to this flextime idea don't point out in the Senate that all Federal workers have this flextime benefit. Most will say it is truly a benefit. So it gets back to an issue of fairness. This amendment simply says if we do not apply this same benefit to all American workers in the private sector, we should not grant it to Federal workers. Americans are tired of us giving special benefits to Federal workers that are not offered in the private sector.

In conclusion, I thank the managers of this bill, again, for allowing me to offer these amendments. I am happy to work out other items and debate them individually, if that is necessary.

I thank the Chair. 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. SESSIONS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. MCCASKILL). Without objection, it is so ordered.

The Senator from Alabama.

Mr. SESSIONS. Madam President, I want to share some general thoughts about workers in America, the salaries they get paid, the money they take home, and some of the problems relative to that. I will not be offering any amendments at this point. I think there are some others who will be down in a little bit who are scheduled to be on the floor at this time but have not arrived.

I will note I would like to have a vote on an amendment I have offered, which is an amendment that will say that if an employer hires a person illegally in the country, contrary to the law, the fine will no longer be as little as \$250 but will be raised to a fine sufficient to deter that business from carrying on that activity: \$5,000 and up.

But I want to take a moment now to share some thoughts of a very serious nature about what we are dealing with. This bill that is on the floor today

would raise the minimum wage from \$5.15 an hour to \$7.25 an hour. I am uneasy with Government dictating a contract between two private persons. But I have supported minimum wage increases on a number of occasions, and I think we will see one pass this time in some fashion. I hope it will be passed in a manner that I will be able to support final passage.

But I share the concern of a lot of people who support this legislation; and that concern is, the incomes and the salaries of lower wage workers have not kept up with the salaries of higher income workers. I know the free marketeers argue that later on wages will increase for low-income workers, but I am not satisfied with that argument. The economy is doing very well. Bonuses and salaries for top-wage people have surged. We have not seen sufficient increases in salaries for lower income workers.

I am going to share some numbers with this body that I believe will put a finger on the real problem. It is not that George Bush does not want people to have salaries. George Bush and Members of this Senate have supported policies that, without their knowledge, perhaps, are having an adverse impact on wages. Maybe there are a lot of reasons we are having an adverse impact on wages, but I am going to talk about one.

We can be certain that illegal immigration is suppressing workers' wages. Significant economic evidence indicates the presence of large amounts of illegal labor in low-skilled job sectors—that is low-income workers—is depressing the wages of American workers. Harvard economists George Borjas and Lawrence Katz—Professor Borjas has written a fabulous book on immigration, "Heaven's Door." I am sure my friend Senator KENNEDY knows of Harvard. He needs to introduce himself to Professor Borjas, I would suggest. Harvard economists George Borjas and Lawrence Katz estimate that the influx of low-skilled, low-wage immigration from 1980 to 2000 has resulted in a 3-percent decrease in wages for the average American worker—not just low-income workers. The average American worker has seen a 3-percent decline in his wages, and it has cut wages for native-born high school dropouts—those are the people most often being paid near minimum wage; the poorest 10 percent of the workforce—by 8 percent.

That is a lot. The 3 percent amounts to, assuming they made \$10 an hour, \$12 a week or \$600 a year. For the poorer worker, the 8 percent amounts to more than \$1,200 a year in income. Now, that is \$100 a month extra money they could be paid, but they are not being paid because of the large influx of illegal workers or immigrant workers into the country.

According to Alan Tonelson, another expert, a research fellow at the U.S. Business and Industry Council Educational Foundation—this is his quote—

[T]he most important statistics available show conclusively that, far from easing shortages, illegal immigrants are adding to labor gluts in America. Specifically, wages in sectors highly dependent on illegals, when adjusted for inflation, are either stagnant or have actually fallen.

Wages have gone down, not even gone up a little bit. They have gone down. Think about it.

Tonelson is referring to Labor Department data and information from the Pew Hispanic Center that—Mr. Tonelson says—“provide compelling evidence illegal immigrants have been used deliberately to force down wages.”

For example, he cites data from the U.S. Bureau of Labor Statistics for the following information.

Madam President, I see Senator SALAZAR is here. And, as I indicated, I say to Senator SALAZAR, I will yield. I will wrap up briefly and yield to you because I know you were previously approved to speak next.

As I was saying, for example, Tonelson cites data from the U.S. Bureau of Labor Statistics for the following information: Inflation-adjusted wages for the broad food and services and drinking establishments category—that is the Labor Department category—between the years 2000 and 2005 fell 1.65 percent. Pew estimates that illegal immigrants comprise 17 percent of food preparation workers, 20 percent of cooks, and 23 percent of dishwashers.

So they say: Well, you cannot get people to work and be cooks and dishwashers in restaurants. You cannot get them. Well, if they were paid a little better wage, maybe they could get them. Instead of cutting wages from 2000 to 2005, maybe some people would be willing to work.

He goes on to note: Inflation-adjusted wages for the food manufacturing industry—the Pew Hispanic Center estimates that illegal immigrants comprise 14 percent of that workforce—fell 2.24 percent from 2000 to 2005.

He also goes on to note: Inflation-adjusted wages for hotel workers—the Pew Hispanic Center estimates that illegal immigrants make up 10 percent of that workforce—fell 1 percent from 2000 to 2005.

So, Madam President, I will wrap up at this point but will talk about it some more later. We need to create a lawful immigration system that does allow workers to come to our country, but the number and skill sets they bring ought to be such that they do not adversely impact to a significant degree the wages of American citizens. How more basic can it be than that, see? I am afraid we need to confront that.

So my amendment is just one important step I will ask for a vote on that will allow workers to come legally, but if they come illegally, the employers who hire them can be punished to a degree more commensurate with the seriousness of the offense.

Madam President, I thank the Chair. I see my good friend from Colorado, former attorney general. We worked

together on a number of issues. I will be proud to yield to him at this time.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Madam President, I thank my friend from Alabama. And at the outset, before I make a comment about the matter that is pending before the Senate today, I want to also commend him for his work on energy independence. I think it demonstrates how we are able in this body to bring together Republicans and conservatives, Democrats and progressives, on what is one of the signature issues of our time. I very much look forward to working with him, as well as with my other colleagues on this very important agenda in this 110th Congress.

Madam President, I rise today to speak on behalf of the Reid substitute amendment that is a very important matter that is now before this body. I applaud the leadership of the floor managers, Senator KENNEDY and Senator ENZI. I very much look forward to a successful conclusion of this legislation.

The Fair Minimum Wage Act of 2007 would raise the Federal minimum wage from \$5.15 an hour to \$7.25 an hour over a period of 2 years. I am proud to be a supporter and a cosponsor of this measure which will help lift millions of Americans into a better way of life.

The Federal minimum wage was first established through the Fair Labor Standards Act of 1938. At that time, the Federal Government set the Federal minimum wage at 25 cents an hour, which would amount to \$3.22 an hour in today's dollars. Since then, Congress has used its wisdom and increased the minimum wage eight times under both Democratic and Republican administrations.

Unfortunately, American workers have now had to wait 10 years since the last increase—the longest that workers have gone without an increase in the entire history our Nation has had a minimum wage law.

American workers, in my view, have waited long enough for their raise. The minimum wage is not just about fairness. It is also about economic necessity. While Congress has neglected to raise the minimum wage, the cost of living has continued to skyrocket. Since we last raised the minimum wage, take the following examples on the escalation of the cost of living: Gas prices have increased by 36 percent. Health insurance rates have gone up by 33 percent. College tuition rates have gone up by 35 percent. And housing costs have gone up by 38 percent. There have been all of those increases during all of that time, and the minimum wage for Americans has gone unchanged.

Without any increase in their wages, these rising costs will force many minimum wage workers to make very difficult choices. Sometimes they must ask themselves: Should they pay the rent or buy groceries? Should they pay the heating bill or buy diapers? Some

of the very basic, essential questions of life have to be answered by some of these minimum wage workers every day.

Indeed, desperate times often have called for desperate measures. Our inaction here in Washington has spurred a number of different States, including my State of Colorado, to take action on their own. In November, the people of my State voted to increase the State's minimum wage by a very substantial margin. Twenty-eight other States and the District of Columbia have also taken action to raise wages above the Federal minimum of \$5.15 an hour.

In my view, unless we act as a Congress, what will end up happening is we will continue to see a hodgepodge of minimum wage increases in the 50 States of our Nation. I think it would be much preferable to business as well as to the people of America to have a Federal minimum wage that applies across the entire country.

The House of Representatives has already acted quickly on this legislation. It is simple and straightforward. It is now time for the Senate to act, and for this long overdue increase to finally become law.

Make no mistake, we all know this legislation will make a significant difference in the lives of working families. The increase will directly impact 13 million Americans and nearly 6 million children.

Do you hear that, Madam President? It will impact 13 million Americans and nearly 6 million children who would see their parents' earnings increase.

In Colorado, raising the Federal minimum wage to \$7.25 an hour would directly raise the pay of 87,000 workers and benefit 251,000 workers overall.

This increase will mean an additional \$4,400 in annual wages. That money is money that could be used for a number of great essentials: Almost 2 years of childcare, more than full tuition for a community college degree, a year and a half of heat and electricity, more than a year of groceries, and more than 8 months of rent.

I support doing everything we can to help these workers. As we help these workers, I also believe we must do everything we can to help the small businesses of America. That is why I am supporting the Reid substitute amendment that has the targeted tax relief to help small businesses thrive.

Having had a history of working as a small business person for a long time, I know the struggle small businesses engage in every day. I also know that it is small businesses that are the engine of most of the job creation in America today. That is true whether it is in Colorado or in the States of Wyoming or Massachusetts. Small businesses are, in fact, the backbone of job creation. In my State alone, we have 500,000 small businesses. And 98 percent of the businesses that hire workers in Colorado are, in fact, small businesses. These

businesses create jobs. They fuel our economy. They provide the livelihood for millions of workers, many of them low-wage earners. We must ensure that these small businesses continue to serve this vital purpose.

In my first hearing as a new member of the Senate Finance Committee, under the leadership of Chairman BAUCUS and Ranking Member GRASSLEY, we heard from small business owners who testified that an increase in the minimum wage would, in some cases, force them to consider whether to eliminate some workers or cut back the hours of others. They also testified that some of the costs of the increase could be defrayed through specific tax incentives to help them meet the expenses associated with improving and expanding their businesses through construction and renovation and tax credits to help them hire more low-wage workers.

Last week I introduced legislation called the Business RAISE Act to help small businesses with business tax relief. My bill contains some of the tax incentives we heard about in the Finance Committee hearing. Specifically, my legislation, now incorporated into the Reid substitute, would allow 15 year depreciation periods for restaurant improvements, new restaurant construction, and improvements to business property that is owned as opposed to leased. That simply makes economic sense. When you buy equipment or build a restaurant, you know that a 39-year depreciation does not reflect economic reality. You know that those changes that have to be made will have to be made in 5 or 10 years. So allowing these items to be expensed over a 15-year period will be a great incentive and of great assistance to small businesses and restaurants to do what they have to do to improve their businesses.

I also have proposed—and it has been included in the Reid substitute amendment—the expansion of the eligibility for the work opportunity tax credit to all disabled veterans. This legislation would expand the eligibility for the work opportunity tax credit to all disabled veterans. In these days of Afghanistan and Iraqi veteran forces returning back to our Nation with the kinds of injuries that many of them have sustained and some of the disabilities they have to suffer through, it is important for us as a nation to do everything we can to provide them with an opportunity. These work opportunity tax credits that would apply to all disabled veterans in America would be part of our Nation's promise to make sure we are taking care of the veterans of America.

I am proud to have worked with Chairman BAUCUS and Senator GRASSLEY, with Republicans and Democratic Senators in the Finance Committee, to have many of these provisions included in the legislation that was reported unanimously out of committee. Those recommendations have now been in-

cluded in the Reid substitute amendment which is currently pending. But we could have dealt with these issues separately. The political reality is that we will do two good things at the same time. We will raise the minimum wage for Americans, which has been on hold for far too long, and we will provide incentives to allow small businesses to continue to thrive with the tax incentives we are creating in this legislation. Toward that end, I am hopeful that this body of Senators will move quickly and expeditiously in approving the provisions of the Reid substitute amendment.

I yield the floor.

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

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

Mr. KENNEDY. For the information of our Members, we will have a consent agreement offered in a short while. It is the intention of Senator ENZI and myself to have two votes, one on the Sununu-Kerry amendment on small business and one on Feingold, which is the "Buy American" amendment. We will have voice votes on those two items and then rollcall votes on an Alard amendment and a rollcall vote on a DeMint amendment in the range of 5 o'clock, for the benefit of our colleagues. We will offer a consent agreement shortly to that effect. But for the information of our colleagues, that is the intention. We are making good progress on other amendments as well.

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

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

Mr. BAUCUS. Madam President, since the Fair Labor Standards Act of 1938, Congress has required employers to pay a minimum wage. Congress enacted the current general minimum wage of \$5.15 an hour in 1996. That works out to be about \$10,712 a year. Currently, about 2 million workers get paid the Federal minimum wage or less.

A decade has passed since the last increase. That marks the longest period in history without an adjustment to the minimum wage. During that time, a majority of States have enacted minimum wages higher than the current Federal level. This includes my home State of Montana.

Montanans recognized that the minimum wage must be increased. I am proud that in November our State voted to raise that State's minimum

wage from \$5.15 an hour to \$6.15 an hour. It was a step in the right direction.

An increase in the minimum wage would affect millions more than those who earn minimum wage because many workers earn slightly more than minimum wage and may also see an increase.

Some worry that an increase in the minimum wage will burden small businesses. Small businesses create jobs, economic opportunity, and technological innovation.

Smaller businesses employ a disproportionate share of workers earning the minimum wage. Representatives of small businesses have, therefore, argued that any increase should be accompanied by tax incentives targeted for small businesses in order to lower their costs.

There are about 23 million small businesses in our country. Businesses with fewer than 500 employees represent more than 99.9 percent of all American businesses. They pay nearly half the total American private payroll. They have generated 60 to 80 percent of the new jobs annually over the last decade, and they employ 41 percent of high-tech workers.

Small business is particularly important in rural States such as Montana. Rural communities generally do not have large employers. Rural families rely on small businesses for jobs.

The Finance Committee has jurisdiction over taxes. The committee held a hearing on January 10 of this year entitled "Tax Incentives for Businesses in Response to a Minimum Wage Increase." The committee heard from a variety of witnesses, including labor economists, small business owners, and tax experts.

Following that hearing, the committee held a markup on January 17. The committee considered an original bill called the Small Business and Work Opportunity Act of 2007. That bill is a revenue-neutral bill containing a number of tax incentives for small businesses and businesses that hire minimum wage workers. The committee favorably reported that bill by unanimous voice vote, and the majority leader included that bill in its entirety in his amendment to the bill before us today.

The substitute would help business owners to afford new equipment and property for their businesses by extending section 179 expensing for another year.

In order to carry out day-to-day activities, small business owners are often required to invest significant amounts of money in depreciable property, such as machinery. While these large purchases are necessary to operate a business, they generally require depreciation across a number of years. But depreciation requires additional bookkeeping. Section 179 expensing allows for immediate 100 percent deduction of the cost of most personal property purchased for use in a business. In

2007, small business owners could deduct up to \$112,000 of equipment expenses.

When small business owners are able to expense equipment, they no longer have to keep depreciation records on that equipment. So extending section 179 expensing would ease small business bookkeeping burdens.

The substitute would allow small business owners to quickly recover the cost of improvements to their establishments through extension and expansion of the 15-year straight line appreciation period for leaseholds and restaurant improvements.

Allowing retailers and restaurants to use a 15-year straight line depreciation period means that when an entrepreneur opens a business and remodels the property, that investment could be recovered over a period of time more closely reflecting wear and tear. It used to be 39 years.

In 2004, the American Jobs Creation Act shortened the cost recovery of certain leasehold improvements and restaurant property for 39 years to 15 years for the remainder of 2004 and 2005. The Tax Relief and Health Care Act of 2006 extended this provision to the end of 2007.

At the Finance Committee minimum wage hearing held January 10, small business owners testified that a shorter 15-year recovery period for restaurant and building leasehold property reflects the true economic life of the improvements. And they testified that businesses put more money into their operations if they know they can recover their improvement costs over 15 years instead of 39.

The substitute would extend the 15-year recovery period for leasehold and restaurant improvements and would also broaden the provision to allow retail owners and new restaurants to take advantage of this shortened depreciation period.

These are changes that Senator CONRAD, Senator KERRY, Senator SNOWE, and Senator KYL have championed.

The substitute would simplify the way that small businesses keep records for tax purposes. The cash method of accounting is often the easiest method of accounting. Allowing small business to use the cash method reduces the administrative and tax compliance burden of these businesses. The substitute would let more businesses take advantage of this method. Businesses with gross receipts up to \$10 million would be able to use the cash method.

The substitute would also help businesses provide jobs for workers who have experienced barriers to entering the workforce by extending and expanding the work opportunity tax credit.

WOTC, otherwise known as the work opportunity tax credit, encourages business to hire workers who might not otherwise find work. These employers teach workers new skills and how to be a good employee. The workers serve

our food, sell us goods, paint our houses, and provide care to our sick and elderly.

WOTC, the work opportunity tax credit, has been remarkably successful. By reducing expenditures on public assistance, WOTC is highly cost effective. The business community is highly supportive of these credits. Especially industries such as retail and restaurants that hire many low-skilled workers find it useful.

The substitute would extend WOTC for 5 years, and the substitute would expand the credit to make it available to employers who hire veterans disabled after 9/11, something I think is very important for us to do.

As of July 2006, nearly 20,000 members of our Armed Forces were wounded in action in Operation Iraqi Freedom and Operation Enduring Freedom. Many of these soldiers are now permanently disabled and do not know what they are going to do once they return home. We need to help these young men and women, and a modest tax incentive to get them back in the workforce is a good place to start.

This is an issue the Senator from Colorado, Mr. SALAZAR, championed.

I think we should make WOTC permanent. Senator SNOWE and I introduced a bill to do just that. But to accommodate other Senators' priorities, the committee agreed to a 5-year extension in the bill that is now included in the substitute.

The substitute helps small businesses by modifying S corporation rules. These modifications reduce the effect of what some call the sting tax; that is, these modifications improve the viability of community banks.

These are changes that Senator LINCOLN and Senator HATCH have championed.

These are all important ways to help small businesses succeed. These provisions will spur investment and, thus, create jobs. They will provide greater opportunity for workers looking for a job. They all enjoy strong support.

Senator GRASSLEY, members of the Finance Committee, and I have worked to develop a balanced package, and I believe we have done just that.

The language included in the substitute is a responsible package that will ensure the continued growth and success of small businesses. And we have also paid for it. Most of the offsets are proposals the Senate has supported several times before. The offsets include a proposal to end future tax benefits for abusive sale-in-lease-out tax shelters, known as SILOs. These deals are foreign tax-exempt entities to generate sham tax deductions.

Even after Congress shut these deals down in 2004, some taxpayers continue to take excessive, unwarranted depreciation deductions on German sewer systems and the like. The Internal Revenue Service says it has 1,500 of these deals under audit involving billions—yes, billions—of dollars. At a minimum, it is time to shut these for-

eign deals down. There are domestic deals, too, but this provision only affects foreign deals.

Another offset doubles fines, penalties, and interest on taxes owed as a result of using certain abusive offshore financial arrangements to avoid paying taxes. Taxpayers will hide their money from the IRS through offshore credit cards and other shady financial arrangements need to get the message that this Congress is serious about ending these abuses.

The substitute closes a corporate loophole used by companies that reinvented themselves as foreign corporations to avoid paying taxes in our country. In March 2002, Senator GRASSLEY and I made it clear to those who put profits ahead of patriotism did so at their own peril. The substitute would treat those who moved offshore after that date like a U.S. company, and the substitute would make those companies pay U.S. taxes.

Further, under the substitute, companies that paid to settle Government investigations or that paid punitive damages ordered by the courts will be prohibited from taking tax deductions for those payments.

Deducting these amounts can reduce the true cost of these settling by as much as a third. Deducting these amounts would effectively shift the tax burden onto the backs of other taxpayers who pay what they rightfully owe. Those deductions should, therefore, be prohibited.

The hard-working American taxpayers we are trying to help in this substitute should not have to pay more taxes because some taxpayers are abusing the tax system through tax shelters. They also should not have to bear the burden of civil settlements and punitive damages paid by companies that engage in questionable behavior.

Another offset would limit the annual amount of nonqualified deferred compensation for corporate executives. Rank-and-file workers generally have to pay taxes on their compensation when they earn it. The exception is deferred compensation provided through qualified retirement plans with statutory limits on contributions and benefits. A 401(k) is the best example.

Management, on the other hand, has no limit on the amount that can be deferred to nonqualified arrangements—no limit. The substitute sets the annual limit at the lesser of 100 percent of taxable compensation or \$1 million.

These are sound changes. I urge my colleagues to support the substitute.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 116

Mr. ALLARD. Madam President, I want to take a moment to explain my amendment No. 116. This amendment gives the States the rights and the flexibility to determine a minimum wage that works best for them. My provision does not allow States to go any lower than the minimum wage they currently operate within their State.

This is an important amendment for small business, an important amendment as far as the States are concerned because cost of living and wages vary dramatically from State to State. A one-size-fits-all federally imposed minimum wage does not take into account the economic realities that exist in each State.

The States are already fulfilling their responsibilities of regulating wages. Currently, 28 States and DC have minimum wage rates above the Federal level. Because the minimum wage varies by State, this legislation threatens to impose a 41-percent increase on some States and a 0-percent increase on others.

Let's give the States the right and flexibility to regulate minimum wage. State legislatures are closer to the people and are better situated than the Federal Government to set a minimum wage. A one-size-fits-all solution under Federal mandate is not the answer to protecting America's economic security.

I urge my colleagues to join me in supporting this amendment that gives the States the flexibility to determine what is best for its own citizens.

When it is appropriate, Madam President, I will call for the yeas and nays.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I ask unanimous consent that at 5:10 p.m. today the Senate proceed to a vote in relation to Allard amendment No. 116, and that the time until 5:10 p.m. be equally divided and controlled in the usual form, with no second-degree amendments in order to the amendment prior to the vote; further, that upon disposition of the Allard amendment, the Senate then resume Sununu amendment No. 112 and that Kerry amendment No. 187 to the Sununu amendment be considered and agreed to, the Sununu amendment, as amended, be agreed to, and the motion to reconsider be laid upon the table; provided, that the Senate then consider Feingold amendment No. 127 and that the amendment be modified with the language at the desk, and that it be agreed to, and the motion to reconsider be laid upon the table, all without intervening action or debate.

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

AMENDMENT NO. 128 TO AMENDMENT NO. 100

(Purpose: To direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes)

Mr. KENNEDY. Mr. President, I ask unanimous consent to call up amendment No. 128 and ask that it be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mr. KERRY, proposes an amendment numbered 128 to amendment No. 100.

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

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

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. KENNEDY. I ask that the amendment be set aside.

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

Mr. KENNEDY. Mr. President, just for the information of our colleagues, the Feingold amendment is an amendment that has been accepted by the Senate on a number of different occasions. It provides information-reporting on the buying of American goods. This is an effort to increase and support American workers. It has been accepted. We welcome that amendment.

The other amendment which my friend and colleague will speak to, Senators KERRY, SNOWE, and SUNUNU, I strongly support. This deals with the women's business center amendment. Our friends on the Small Business Committee have worked long and hard on this. It is a very interesting, innovative, and creative program that has created thousands of jobs and millions of dollars in wages, and it deserves favorable consideration. My colleague will speak to that in just a few moments.

On the Allard amendment, Members should understand what the effect of the Allard amendment is, and that is effectively to repeal the minimum wage for any States among the 50 States. That effectively is what the Allard amendment does. It says:

Notwithstanding, any employer should not be required to pay an employee the wage that is greater than the minimum wage provided by law of the State in which the employee is employed, and not less than the minimum wage in effect in that State.

So effectively it eliminates the minimum wage.

It is true we have had the minimum wage at \$5.15 an hour. The underlying bill raises it to \$7.25, with a very modest tax offset. Hopefully we will have an opportunity to vote on that.

It is true that the existing minimum wage is \$5.15 an hour and a number of States have gone above this, but the concept of the minimum wage was that it was going to be a minimum payment, a minimum standard. What was accepted at the time of the minimum wage is that in this country, we didn't want to accelerate a rush to the bottom so that we would have competition in the various States to pay the lowest possible wages—sweat labor—in order to try to attract industries into those particular States, but to provide a minimum standard. Hopefully it was going to be a living standard for workers who worked 40 hours a week, 52 weeks of the year.

I respect the Senator from Colorado, his view on this issue, but if we accepted the amendment of the Senator, it would effectively eliminate the minimum wage as we know it.

I think the reason for the minimum wage, as we have tried to point out during the course of this debate in discussion, was to establish a basic floor as a standard for payment for individuals who worked long and hard in some of the most difficult jobs in this country. We have eliminated child labor. We have established laws with regard to overtime. We have tried to be not only the strongest economy in the world but one that is going to respect workers and workers' rights and workers' interests and workers' families. The minimum wage does not do so at the present time, but many of us will continue to battle to try to make sure it does. The Allard amendment brings us all in the opposite direction.

If I have any time left, I will reserve it. I know the Senator from Colorado will use his time.

Mr. ALLARD. Mr. President, I reiterate, my amendment gives flexibility to States to set their own minimum wage. What is an appropriate minimum wage level for one State does not apply for another, and has different potential effects on the ability for economic growth in that State. When you vote for my amendment, you are voting for State flexibility. The States are already fulfilling their responsibilities of regulating wages. My amendment does not allow the States to set a minimum wage lower than their current operating minimum wage as of January 1, 2007.

I ask my colleagues to join me in voting for the Allard amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered.

Who yields time?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, if there are no further speakers—

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I am glad to yield a couple of minutes. I understand we have 3 or 4 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts controls 1 minute.

Mr. DEMINT. I understand we just have a few minutes. A few minutes ago, we thought we would be voting on one of the DeMint amendments, and we are still not sure if that is going to happen.

Mr. KENNEDY. If the Senator will yield, I find that there is strong support. We are just having difficulty getting a final time to be able to slot it in at this particular time. I am very hopeful we will be able to have that sometime in the very near future, and I will keep in close touch with the Senator. I thank him for his cooperation. I hope we will be able to.

AMENDMENT NO. 158

Mr. DEMINT. Mr. President, I will take a couple of moments to reexplain the amendment just in case we get to vote on it tonight or early in the morning.

We just heard Senator ALLARD talk about the need for State flexibility because of the different costs of living, the different economies, the different situations. In the United States today, we have 29 States that have set a minimum wage higher than the Federal minimum wage. That action really reflects the cost of living in different parts of our country.

The PRESIDING OFFICER. The remainder of the time is controlled by the Senator from Colorado.

Mr. DEMINT. Does the Senator yield? Mr. ALLARD. The Senator from South Carolina seeks time? I yield time to the Senator.

Mr. DEMINT. We will talk until the next vote, how about that? What time is the next vote?

The PRESIDING OFFICER. The next vote is in 3½ minutes.

Mr. ALLARD. If the Senator from South Carolina will yield, Senator ENZI would also like to speak briefly on this amendment, if you will allow him at least a minute.

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes.

Mr. DEMINT. Two minutes. Senator ALLARD has made a good case for the need for States to have flexibility to adapt the minimum wage to their particular State's cost of living. That is one option.

The amendment I have is quite different. It recognizes that we do have very different costs of living, such as in Massachusetts, Boston is 35 percent above the national average cost of living. If you go south to Mobile, AL, it is 11 percent less than the average cost of living. So the current \$5.15 minimum wage which is in Alabama actually has more buying power than the \$7.50 minimum wage which is now in effect in Massachusetts.

We are proposing that we be fair with this Federal minimum wage increase. The Senator from Massachusetts knows that, despite his passion for low-income workers and raising the minimum wage for workers, workers in 29 States will not get the full benefit. In fact, workers in Massachusetts will get no raise at all. Workers in Washington, Oregon, or California will get no raise, as will the minimum wage workers in Vermont or Connecticut or Rhode Island. All the States here in blue, the highest cost of living States in our country, will get either no increase or less than a 10-cent increase from this \$2.10. The States in the white get some increase but, again, not the full increase. Really, most of the States that would get the full \$2.10 increase are low-cost-of-living States around our country, again where the cost of living is more in tune with the \$5.15 minimum wage.

Frankly, I would like every worker to be making a lot more money, and there are a lot of other things we can do to make that happen. But if we are going to have a Federal minimum wage, let it reflect the cost of living in

every State. Let's give every minimum wage worker in this country a raise when we pass this bill.

I yield the floor. The PRESIDING OFFICER. The Senator from Wyoming has 1 minute under the previous order.

Mr. ENZI. Mr. President, I listened to the Senator from Minnesota earlier today, Ms. KLOBUCHAR, and thought she had some very convincing comments regarding the tip credit. In conjunction with that, she suggested that States ought to be able to do what they want to do. That is what this bill does.

Even if one accepts the idea that the minimum wage should be used as a tool of economic policy, it is quite obviously a tool that should be used with precision, not indiscriminately wielded like a sledge hammer.

State and local economies are vastly different, however, one-size-fits-all Federal legislation totally dismisses those important differences. It also misses the point that states are in a far better position to determine what is best for their local economies. Federal "solutions" often ignore local and regional experience and judgment, or worse still, just arrogantly cast it aside.

There is just no room for debate over the fact that there is a vast difference from State to State in terms of the cost of living, the cost of doing business, and the purchasing power of a dollar. A nationally based minimum wage adjustment simply ignores these important differences. It discriminates against both employees and employers based solely upon where they choose to live and work or to establish their businesses.

Proponents of an across-the-board Federal minimum wage increase might be able to ignore these realities and claim that somehow the Federal Government was "forced" to act because States "refused" to do so. Unfortunately for those who make this argument, nothing could be further from the truth.

State legislatures have been, and continue to be extremely active in considering minimum wage legislation that is appropriately tailored to the economic realities of their respective States. Consider that 6 states this year have passed ballot initiatives raising their State's minimum wage law, and 29 States now have minimum wage rates higher than the current Federal level. I urge my colleagues to consider that States and localities may have a better idea of what their appropriate minimum wage level should be than the Federal Government. When the Federal level does not fit, States and localities act.

I urge my colleagues to support the Allard amendment.

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

The Senator from New Hampshire is recognized.

Mr. SUNUNU. Mr. President, I recognize that all or nearly all time under

control has expired, but I ask unanimous consent to speak for 1 minute on an amendment on which the chairman and ranking member have come to agreement.

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

AMENDMENT NO. 112

Mr. SUNUNU. Mr. President, Senator KERRY spoke earlier about the importance of women's business centers. I offered an amendment at the beginning of the debate a couple of days ago that would ensure continuation of funding for some of the high-performing women's business centers across the country, one of them being in Portsmouth, NH, a small facility that manages to serve 1,300 women. It covers Maine, covers northeastern Massachusetts, as well as clients across New Hampshire. Senator KERRY and Senator SNOWE offered a modification to the amendment which we have agreed to accept, I think. I hope that is going to be passed on a voice vote and then my amendment with his improvements will be voted on by voice.

I thank Chairman KENNEDY, Senator KERRY, Ranking Member Enzi, and my dear friend from Maine, Senator SNOWE for working with me to ensure that this can get done in a timely way. This continuation of funding will make a difference for, of course, dozens of business centers, but that translates into thousands of women entrepreneurs across the country. Those small firms in New Hampshire and across the country are the ones that really drive economic growth. I appreciate the work they have done, Senator SNOWE and Senator KERRY.

VOTE ON AMENDMENT NO. 116

The PRESIDING OFFICER. All time is consumed. The question is on agreeing to amendment No. 116. The yeas and nays have been ordered.

The clerk will call the roll. The legislative clerk called the roll. Mr. DURBIN. I announce that the Senator from Hawaii (Mr. INOUE) and the Senator from North Dakota (Mr. JOHNSON) are necessarily absent.

Mr. LOTT. The following Senator was necessarily absent: the Senator from Alaska (Mr. STEVENS).

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

The result was announced—yeas 28, nays 69, as follows:

[Rollcall Vote No. 24 Leg.]

YEAS—28

Alexander	Cornyn	Inhofe
Allard	Craig	Isakson
Bennett	Crapo	Kyl
Bond	DeMint	Lott
Brownback	Ensign	McCain
Bunning	Enzi	McConnell
Burr	Graham	Sununu
Chambliss	Gregg	Thomas
Coburn	Hagel	
Cochran	Hatch	

NAYS—69

Akaka	Bingaman	Cantwell
Baucus	Boxer	Cardin
Bayh	Brown	Carper
Biden	Byrd	Casey

Clinton	Landrieu	Roberts
Coleman	Lautenberg	Rockefeller
Collins	Leahy	Salazar
Conrad	Levin	Sanders
Corker	Lieberman	Schumer
Dodd	Lincoln	Sessions
Dole	Lugar	Shelby
Domenici	Martinez	Smith
Dorgan	McCaskill	Snowe
Durbin	Menendez	Specter
Feingold	Mikulski	Stabenow
Feinstein	Murkowski	Tester
Grassley	Murray	Thune
Harkin	Nelson (FL)	Vitter
Hutchison	Nelson (NE)	Voivovich
Kennedy	Obama	Warner
Kerry	Pryor	Webb
Klobuchar	Reed	Whitehouse
Kohl	Reid	Wyden

NOT VOTING—3

Inouye	Johnson	Stevens
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The amendment (No. 116) was rejected.

Mr. KENNEDY. I believe under the consent agreement we were going to act now on the Sununu amendment 112 and the Kerry amendment 187; is that correct?

The PRESIDING OFFICER. The amendment has not been sent up yet.

AMENDMENT NO. 187 TO AMENDMENT NO. 112

Mr. KENNEDY. Madam President, I call up amendment No. 187.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mr. KERRY, for himself, Ms. SNOWE, and Mr. SUNUNU, proposes an amendment numbered 187 to amendment No. 112.

The amendment is as follows:

AMENDMENT NO. 187

(Purpose: To provide a complete substitute)

In lieu of the matter proposed to be inserted, insert the following:

SEC. ____ . RENEWAL GRANTS FOR WOMEN'S BUSINESS CENTERS.

(a) IN GENERAL.—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

“(m) CONTINUED FUNDING FOR CENTERS.—

“(1) IN GENERAL.—A nonprofit organization described in paragraph (2) shall be eligible to receive, subject to paragraph (3), a 3-year grant under this subsection.

“(2) APPLICABILITY.—A nonprofit organization described in this paragraph is a nonprofit organization that has received funding under subsection (b) or (1).

“(3) APPLICATION AND APPROVAL CRITERIA.—

“(A) CRITERIA.—Subject to subparagraph (B), the Administrator shall develop and publish criteria for the consideration and approval of applications by nonprofit organizations under this subsection.

“(B) CONTENTS.—Except as otherwise provided in this subsection, the conditions for participation in the grant program under this subsection shall be the same as the conditions for participation in the program under subsection (1), as in effect on the date of enactment of this Act.

“(C) NOTIFICATION.—Not later than 60 days after the date of the deadline to submit applications for each fiscal year, the Administrator shall approve or deny any application under this subsection and notify the applicant for each such application.

“(4) AWARD OF GRANTS.—

“(A) IN GENERAL.—Subject to the availability of appropriations, the Administrator shall make a grant for the Federal share of the cost of activities described in the application to each applicant approved under this subsection.

“(B) AMOUNT.—A grant under this subsection shall be for not more than \$150,000, for each year of that grant.

“(C) FEDERAL SHARE.—The Federal share under this subsection shall be not more than 50 percent.

“(D) PRIORITY.—In allocating funds made available for grants under this section, the Administrator shall give applications under this subsection or subsection (1) priority over first-time applications under subsection (b).

“(5) RENEWAL.—

“(A) IN GENERAL.—The Administrator may renew a grant under this subsection for additional 3-year periods, if the nonprofit organization submits an application for such renewal at such time, in such manner, and accompanied by such information as the Administrator may establish.

“(B) UNLIMITED RENEWALS.—There shall be no limitation on the number of times a grant may be renewed under subparagraph (A).

“(n) PRIVACY REQUIREMENTS.—

“(1) IN GENERAL.—A women's business center may not disclose the name, address, or telephone number of any individual or small business concern receiving assistance under this section without the consent of such individual or small business concern, unless—

“(A) the Administrator is ordered to make such a disclosure by a court in any civil or criminal enforcement action initiated by a Federal or State agency; or

“(B) the Administrator considers such a disclosure to be necessary for the purpose of conducting a financial audit of a women's business center, but a disclosure under this subparagraph shall be limited to the information necessary for such audit.

“(2) ADMINISTRATION USE OF INFORMATION.—This subsection shall not—

“(A) restrict Administration access to program activity data; or

“(B) prevent the Administration from using client information (other than the information described in subparagraph (A)) to conduct client surveys.

“(3) REGULATIONS.—The Administrator shall issue regulations to establish standards for requiring disclosures during a financial audit under paragraph (1)(B).”

(b) REPEAL.—Section 29(1) of the Small Business Act (15 U.S.C. 656(1)) is repealed effective October 1 of the first full fiscal year after the date of enactment of this Act.

(c) TRANSITIONAL RULE.—Notwithstanding any other provision of law, a grant or cooperative agreement that was awarded under subsection (1) of section 29 of the Small Business Act (15 U.S.C. 656), on or before the day before the date described in subsection (b) of this section, shall remain in full force and effect under the terms, and for the duration, of such grant or agreement.

Mr. KENNEDY. Madam President, I support this amendment offered by Senators KERRY, SNOWE and SUNUNU. This amendment provides essential ongoing support to Women Business Centers and has received bipartisan support in the small business committee and I urge my colleagues to support it.

Women small business entrepreneurs are making gains in today's economy and have grown dramatically over the last few decades. In my State of Massachusetts women-owned small businesses have grown by 13 percent since 1997. But they still account for only one-third of all small businesses in the State. Nationally, they make up only 28 percent of all small businesses.

Women Business Centers provide essential training and support to women of all incomes, and of all races to help

them start and grow their small business. These centers even the playing field for women entrepreneurs who still face significant obstacles in the world of business.

The Center for Women and Enterprise in Massachusetts, has served over 12,000 women who created 16,000 new jobs and generated more than \$470 million in wages since 1995.

We must make this program permanent and make sure that women can participate in small business that is so vital to our national economic growth.

Women entrepreneurs are precious national assets that employ millions of workers and generate billions in wages. We should not limit their potential.

I urge my colleagues to support this amendment to support our women entrepreneurs.

Mr. KERRY. Madam President, I rise to speak about amendment No. 187. I offer this amendment along with my colleagues Senators SNOWE and SUNUNU to keep open our Nation's most experienced and successful women's business centers. These centers—including those in Boston and Worcester in my home State of Massachusetts, in Portsmouth, NH, and in Wiscasset, ME—provide business counseling and financial literacy training to women who want to start or grow a business. We need to pass this amendment so that the women's business centers have access to the Federal matching money that is necessary to raise private sector capital.

For several years now Senator SNOWE and I have been working on a solution to keep open the most experienced centers. Last summer our committee passed a bill that would keep these centers open, though it did not become law. I want to thank Senator SNOWE and her staff for their collaboration on this important issue, and I also want to thank Senator SUNUNU for working with us to incorporate changes into his original amendment that reflect our committee's work. I thank the very able and resourceful executive directors of the women's business centers for working with us all these years to keep their centers going, providing women with the tools they need to make their businesses succeed. In my home State, that includes our current leader, Ms. Donna Good, and her predecessor, Andrea Silbert, who started the Center for Women & Enterprise.

In my 21 years on the Committee on Small Business and Entrepreneurship, I have consistently promoted women entrepreneurs and fought for adequate funding for the women's business centers. As chairman of the committee in the 110th Congress, I will do the same and urge my colleagues on both sides of the aisle to support this amendment. This important legislation will allow established women's business centers to receive renewability grants after their initial grant cycle of matching funds has expired.

The concept of sustainability grants is something I originally introduced in 1999 with my Women's Business Center

Sustainability Pilot Program—a bill that garnered widespread bipartisan support and was instrumental in securing additional funding to allow successful and effective centers keep their doors open for women entrepreneurs in their community. And last Congress Senator SNOWE and I introduced the Women's Small Business Ownership Programs Act, which allowed proven centers with a successful track record to receive additional 3-year renewal grants beyond an initial 4-year grant cycle.

The amendment we introduced today builds upon our previous legislative proposals by giving established women's business centers the ability to apply for 3-year grants on an ongoing basis. It would provide women's business centers with a permanent funding stream in the future.

By adopting this amendment today, we will ensure that successful and experienced centers are able to continue serving entrepreneurs by giving women-owned small businesses the tools they need to grow and flourish.

Madam President, I ask my colleagues to vote in favor of this amendment.

Ms. SNOWE. Madam President, I rise to speak to the second-degree amendment currently pending today that Senator KERRY and I have introduced along with Senator SUNUNU. I would first like to commend my colleague Senator SUNUNU for taking the initiative and offering the original women's business center amendment that includes critical legislation to keep this longstanding program operating.

This second-degree amendment expands upon Senator SUNUNU's amendment by addressing the continuation of the women's business center sustainability program, a 5-year pilot program that expired in October 2003. I am pleased to have worked closely with Senator KERRY, the original author of this program, to find a permanent solution to keep the most experienced centers funded and operating.

We cannot afford to ignore, or minimize, the extraordinary contributions America's businesswomen are making to our economy, our culture, and our future. The achievements of women entrepreneurs are undeniable. Women-owned firms generate almost \$2.5 trillion in revenues. They employ more than 19 million workers and are the fastest growing segment of today's economy. In my home State of Maine alone, more than 63,000 women-owned firms generate an astounding \$9 billion in sales. That is truly a record we can all be proud of.

There can be no doubt the Small Business Administration's, SBA, women's business center program has been an indispensable party on the path to success. In 2006, the 99 women's business centers nationwide served more than 144,000 clients across the country. Whether focused on expanding access to more affordable employee health coverage—enhancing Federal contract

procurement opportunities for women-owned businesses—or improving access to capital, the women's business center program has been an invaluable resource to women-owned businesses in my home State of Maine and across the Nation.

The fact is, since the program was created in 1988, Congress renewed the program seven times, and made it permanent in 1997. The women's business centers' unique training and counseling has helped clients generate more than \$235 million in revenue and create or retain over 6,500 jobs in 2003. This program clearly has a record of success, fostering job growth and providing American small businesses with the opportunity to thrive.

Women entrepreneurs continue to face tremendous challenges—access to business assistance, access to capital, and access to Federal Government contracting opportunities. The “glass ceiling” in corporate America that led many women to start a small business has been transformed into another obstacle—a “glass doorway”—between women who want to start and grow businesses and the lending and Federal contract markets these women entrepreneurs seek to enter. Overcoming these obstacles requires that women are provided the business assistance tools they need, which we here in Congress can ensure through the programs and services established within the Small Business Administration.

Over the past 4 years as chair of the Small Business Committee and now as ranking member, I have carefully examined the SBA's programs with a particular focus on the agency's initiatives that are intended to foster women-owned businesses. I introduced numerous bills in the 108th and 109th Congress to improve and revitalize these programs.

In fact, in July 2006, I led the Small Business Committee in unanimously reporting out the Small Business Reauthorization and Improvements Act, S. 3778. This reauthorization package incorporated a bill, the Women's Small Business Ownership Programs Act of 2006, S. 3659, that I, along with Senator KERRY, introduced and which was cosponsored by Senator SUNUNU.

The issue before us today is whether to renew and make permanent the Women's Business Centers Sustainability Grants Program, which unfortunately expired in 2003. This amendment is designed to address these issues and improve the programs and services that the SBA delivers across the Nation for women business owners. The need and the impressive record of the women's business centers only supports the reasons for making the program permanent. The centers have proven to be a great value to the communities they serve, so we must ensure their programs and services continue to be available.

Two years ago, the funding for the women's business center in my home State of Maine expired. This center,

Coastal Enterprises, has struggled since then to find funding necessary to continue providing vital assistance to women entrepreneurs across the State of Maine. Coastal Enterprises has helped women entrepreneurs succeed for over 10 years, and we must ensure the center receives this critical assistance to continue its operation.

The duty rests upon us to foster an environment favorable to economic expansion so that each business can travel down their road of success. This amendment achieves that goal—and not by establishing costly new initiatives but by building on successful established programs within the SBA and improving their delivery for the benefit of current and future women entrepreneurs.

My responsibility as ranking member of the committee includes ensuring that every woman who owns a small business—or any woman who dreams of owning one—has the resources, the support, and the opportunities they need to embark on their next great entrepreneurial adventure.

I ask my colleagues to support our bipartisan amendment.

The PRESIDING OFFICER. Under the previous order, that amendment is agreed to.

The amendment (No. 187) was agreed to.

The PRESIDING OFFICER. The Sununu amendment as thus amended is agreed to.

The amendment (No. 112), as amended, was agreed to.

AMENDMENT NO. 127, AS MODIFIED, TO
AMENDMENT NO. 100

Mr. KENNEDY. Madam President, I send to the desk the modified Feingold amendment numbered 127.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mr. FEINGOLD, proposes an amendment numbered 127, as modified, to amendment No. 100.

The amendment is as follows:

AMENDMENT NO. 127, AS MODIFIED

(Purpose: To amend the Buy American Act to require each Federal agency to submit reports regarding purchases of items made outside of the United States, and for other purposes)

At the end, add the following:

SEC. ____ . REPORTS ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

Section 2 of the Buy American Act (41 U.S.C. 10a) is amended—

(1) by striking “Notwithstanding” and inserting the following:

“(a) IN GENERAL.—Notwithstanding”; and

(2) by adding at the end the following:

“(b) REPORTS.—

“(1) IN GENERAL.—Not later than 180 days after the end of each of fiscal years 2007 through 2011, the head of each Federal agency shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the amount of the acquisitions made by the agency in that fiscal year of articles, materials, or supplies

purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

“(2) CONTENTS OF REPORT.—The report required by paragraph (1) shall separately include, for the fiscal year covered by such report—

“(A) the dollar value of any articles, materials, or supplies that were manufactured outside the United States;

“(B) an itemized list of all waivers granted with respect to such articles, materials, or supplies under this Act, and a citation to the treaty, international agreement, or other law under which each waiver was granted;

“(C) if any articles, materials, or supplies were acquired from entities that manufacture articles, materials, or supplies outside the United States, the specific exception under this section that was used to purchase such articles, materials, or supplies; and

“(D) a summary of—

“(i) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

“(ii) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

“(3) PUBLIC AVAILABILITY.—The head of each Federal agency submitting a report under paragraph (1) shall make the report publicly available to the maximum extent practicable.

“(4) EXCEPTION FOR INTELLIGENCE COMMUNITY.—This subsection shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as specified in, or designated under, section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).”

The PRESIDING OFFICER. Under the previous order, that amendment is agreed to.

The amendment (No. 127), as modified, was agreed to.

Mr. KENNEDY. Madam President, for the benefit of the Members, we have today disposed of six amendments. We have 18 other amendments pending. The staffs will work over the evening. Some look like we can move along early tomorrow. We are planning a full day tomorrow. We have had a total of over 90 amendments that have actually been filed. We thank all of our colleagues for their cooperation. We are expecting a full day, with a number of votes tomorrow. We are looking forward in the near future to getting final action on an increase in the minimum wage.

I yield the floor.

Mr. WARNER. Madam President, I wish to proceed as in morning business.

The PRESIDING OFFICER. The Senate is not in morning business.

Mr. KENNEDY. If the Senator desires to speak as in morning business, I don't think there would be any objection.

Mr. WARNER. I hope there would not be any objection.

Madam President, may I suggest the Senator from Idaho be recognized and I be recognized following his remarks.

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

The Senator from Idaho is recognized.

Mr. CRAPO. Madam President, I will take 5 minutes or less to speak on a matter of importance, in terms of the

process we are following as we consider the Small Business and Work Opportunity Act.

The concern I raise is regarding compensation-related tax increases that came out of the Senate Committee on Finance as part of this package.

The Small Business and Work Opportunity Act includes \$8.3 billion worth of business tax reductions that are paid for with offsetting tax increases. Two of these tax increases relating to the tax treatment of compensation are brandnew proposals that have never been examined by either the Committee on Finance or the full Senate. In fact, the legislative language was not even available when H.R. 2 was brought to the Senate.

The concern I have about the process is this: Almost half of the business tax cuts in the package we are considering are extensions of current tax law provisions that Congress has previously passed with broad bipartisan support without offsetting tax increases.

I understand the desire to offset the cost of new tax policies, but I am concerned about increasing taxes on individuals and employers to offset extensions of current policy. Mandatory spending programs, which are the real source of budgetary pressure, are automatically extended every year. These automatic extensions are not paid for because they represent extensions of current law. The same standard should apply to current tax policy.

We will engage in a debate over the pay-as-you-go budget requirements when a pay-go proposal is submitted to the Senate. Until that time, I urge my colleagues, we should not raise taxes to offset current tax law, particularly if the tax increase proposals have never been vetted. Making major changes to the tax law without full examination of the policy proposals will lead to unintended consequences and create real burdens on many of the employers that this bill seeks to help.

I will point out a few of the concerns these new proposals do raise that, as I said, were not raised in the Committee on Finance as we did not have time to review them carefully.

One of the proposals, the new limits on deferred compensation, limits the amount of compensation an employee can save in a nonqualified deferred compensation plan or an NQDC plan. I know we are getting into acronyms and some of the complications of the code, but these things have real consequences in the business of our country. I have several significant concerns with this proposal which were not addressed during the Committee on Finance consideration of the bill.

First, the proposal does not target executives. NQDC plans benefit a wide range of workers, including nonmanagerial employees. The Committee on Finance proposal affects all employees in the plan, not just executives. As a result, the proposal would limit the amount that mid-level workers can set aside for retirement, attacking one of

the objectives that we in America need to be paying strong attention to, the ability of Americans to begin saving assets for retirement.

Second, the proposal does not target multimillion dollar salaries—again, one of the justifications for the proposal. It is said that this is the million-dollar salary provision. Yet the cap on annual deferrals is set at the lesser of \$1 million or a 5-year average of past compensation. This could have negative consequences on employees at a much lower salary level.

For example, consider a nonmanagerial employee who worked at a manufacturing plant for 13 years at an average salary of \$60,000 over the past 5 years. In the process of downsizing, this employee may be offered a severance package that includes 1 year of health benefits plus 2 years of severance pay for every year on the job. A severance package of this size would add up to \$141,000 paid over a number of years. The present value of this package—in other words, the value stream of the payments in today's dollars—is \$125,000. Since the employee is bound by a \$60,000 cap on deferrals, this severance would be taxed and hit with a 20-percent tax penalty. This is hardly the result we would want.

This proposal does nothing to create parity in compensation between executives and rank-and-file workers and, in fact, does not limit the amount that executives can be paid as, again, is the stated intention behind the inclusion of this proposal in the bill. It simply requires them to pay taxes on their compensation sooner rather than later. Yet it has that unintended consequence that we often speak so much about in the Senate of reaching much more broadly than the payment of high salaries to the high-paid executives and hitting the mid-level managers in the businesses around our country who will pay tax penalties because we did not take the time to pay close attention to the kinds of provisions contained in the bill.

All of us have been contacted by those in the country who are concerned about this, organizations such as the American Bankers Association, the American Benefits Council, the American Council of Life Insurers, the Association for Advanced Life Underwriting, the ERISA Industry Committee, FEI's Committee on Benefit Finance, FEI's Committee on Taxation, the HR Policy Association, the National Association of Manufacturers, the Securities Industry and Financial Markets Association, the Financial Services Roundtable, and, of course, the U.S. Chamber of Commerce. These groups which represent businesses of all sizes around the country, which seek to provide benefits and support for their employees, are asking us to pay attention to the process by which we put proposals of this kind into the Tax Code without the kind of due deliberation they deserve.

Hopefully, during the process of the consideration of this bill, we will have

an opportunity to correct these unintended consequences and make sure that the midlevel managers and others who are involved in NQDC plans—non-qualified deferred compensation plans—do not face these tax penalties we never intended them to face.

I thank the Chair.

Mr. SPECTER. Madam President, I seek recognition to speak in support of S.2, the Fair Minimum Wage Act of 2007, of which I am a cosponsor, to increase the Federal minimum wage to \$7.25 per hour by 2009. The last time Congress voted to raise the minimum wage was in 1996, raising it from \$4.25 to \$4.75 to eventually \$5.15 in 1997.

History clearly demonstrates that raising the minimum wage has no adverse impact on jobs, employment, or inflation. In the 4 years after the last minimum wage increase passed, the economy experienced its strongest growth in over three decades. More than 11 million new jobs were added, at the pace of 232,000 per month. We need to ensure that hard working Americans that are paid the minimum wage are given an increase because there has been no increase for almost 10 years, while cost-of-living adjustments have been provided to others.

In my home State of Pennsylvania, the State minimum wage was increased from \$5.15 per hour to \$6.25 per hour on January 1, 2007. On July 1, 2007, the State minimum wage will increase to \$7.15 per hour. Many States surrounding the Commonwealth of Pennsylvania, including New York, New Jersey, Maryland, and Ohio, have already increased their State minimum wage above the Federal minimum wage with a State wage rate of \$7.93 per hour. With 29 states, including Pennsylvania, passing laws to increase their state minimum wage above the Federal wage, it is crucial for this body and this Congress to pass legislation to increase the Federal wage rate to have consistency across the entire United States.

The official poverty rate in the United States increased from a 26-year low of 11.3 percent in 2000 to 12.6 percent in 2005, including 12.9 million children. The nonprofit, nonpartisan think tank, the Economic Policy Institute, EPI, estimates that 11 percent of the work force, or about 14.9 million workers, would receive an increase in their hourly wages if the Federal minimum wage was increased to \$7.25 by 2008. Also, 59 percent of those workers likely to benefit are women and 9 percent are single parents. Further, evidence from an analysis of the 1996-97 minimum wage increase shows that the average minimum wage worker brings home more than half, 54 percent, of his or her family's weekly earnings.

Increasing the Federal wage would enable a working family to afford almost 2 more years of childcare, full tuition for a community college degree, and many other staples for a healthy standard of living. Unfortunately, the current minimum wage fails to meet

these standards. Congress needs to act. The longer there is inaction, the more behind minimum wage earners get in paying expenses just to survive.

Since taking office in 1981, I have consistently supported increasing the Federal minimum wage. I understand the importance of ensuring that the minimum wage keeps better pace with inflation. The real value of the minimum wage has declined steadily in recent years and it is long past due for an increase. America's working families work hard every day, sometimes at two or three jobs, just to make ends meet. We need to pass this legislation to give these families leverage to compensate for the increased costs of living over time.

The U.S. Department of Labor's Bureau of Labor Statistics defines inflation as "the overall general upward price movement of goods and services in an economy." The Bureau compiles statistics, called the Consumer Price Index, CPI, to measure the rate of inflation on a yearly December to December basis. CPI is measured by utilizing prices of a "market basket" of goods and services purchased by an urban family, in which a market basket is individual items weighted by how much the urban family spent on those same items in a base year period—currently 1982-1984. By any measure, the current minimum wage does not have the same buying power as it did in 1997, the last time the Federal minimum wage was increased.

According to the Department of Labor, the rate of inflation from 1997 at 1.7 percent has increased at least 2.7 times to 4.7 percent in 2006. While the price of items has increased almost three times what they had cost in 1997, America's working families who depend on the Federal minimum wage have not seen any increase at all in the wages they take home.

The Congressional Research Service of the Library of Congress has done nonpartisan research regarding the Federal minimum wage. They have found that those who earned below \$7.25 an hour in 2005 were more than likely to have been women, 7 out of 11 million, of Hispanic origin, young, i.e., age 16-14; over fifty percent, or old, i.e. age 65 and above; 3.6 percent, lacking a high school degree, 38.1 percent, working part-time, i.e. less than 35 hours a week; 35.1 percent, and not represented by a labor union, 16.7 percent. Continuing, the report states that the families of these workers were more than likely than other families in 2005 to have been poor, receiving welfare, and lacking health insurance. As a frame of reference, in the private sector in 2005, the average wage of nonmanagement employees was \$16.11 an hour according to the Bureau of Labor Statistics survey of employers.

While I do support increasing the Federal minimum wage, I am very much concerned about the impact on small businesses. In my travels throughout Pennsylvania, I have heard

from many small business owners about the unfairness in our tax laws and the burden placed upon them in comparison to large corporations. These complaints have been coupled by minimum wage earners who have struggled to make ends meet on just \$5.15 per hour.

After reviewing the available data, I believe that increasing the minimum wage will help those in need and will not adversely affect small businesses. A 1998 EPI study did not find any significant job loss associated with the 1996-1997 Federal minimum wage increase. On the other hand, the low-wage labor market—i.e. lower unemployment rates and increased average hourly wages—had performed better than in previous years. Small business owners in those states with higher minimum wage rates than the Federal minimum wage rate, such as the State of Washington at \$7.93 per hour, appeared to have prospered. The New York Times reported on January 11, 2007 that small business owners in Washington's neighboring State of Idaho are hurting because of the State's low minimum wage rate of \$5.15 per hour. Many residents living near Washington seek jobs in the Evergreen State, forcing small business owners to offer more than Idaho's minimum wage in order to hire new employees.

Small businesses are recognized as an integral part of a powerful economic engine in America. As a critical job creator, they have helped build the prosperity that our country has shared. Nationwide, small businesses employ 52 percent of the private work force and contribute to 47 percent of all sales, spending over \$1.4 trillion in annual payrolls. We need to strike a balance between the needs of these employees and their employers, who will be tasked with paying for any increase in the minimum wage.

To counter balance the increase in the minimum wage, I have supported many significant measures to help small businesses in recent years. In the 109th Congress, I was a cosponsor of S. 406, the Small Business Health Fairness Act and introduced my own bill in the 108th Congress, S. 2767, the Small Business Economic Stimulus Act, which would have enabled small businesses to join together to form associated health plans.

Further, on May 9, 2006, I voted to invoke cloture (to end debate) on S. 1955, the Small Business Health Plans bill. Further, in 2005, I supported S.2020, the Tax Relief Act of 2005, which passed the Senate 64-33. Among other provisions, this bill sought to extend various tax relief provisions for businesses including bonus depreciation and increased expensing for small business property. I have also consistently supported the U.S. Small Business Administration, SBA, and funding for the Small Business Development Center, SBDC, program, which operates in partnership with 16 Pennsylvania colleges and universities and assists entrepreneurs and

small businesses through consulting, education and business information. This program received \$89 million in fiscal year 2006.

It is my expectation that the small business incentives proposed by the Senate Finance Committee will ultimately become law in legislation which increases the minimum wage.

Mrs. FEINSTEIN. Mr. President, I rise today in support of a minimum wage increase that provides American workers a raise with no strings attached. It has been nearly a decade since the minimum wage was last increased. We can no longer afford to delay action, and millions of hard-working Americans deserve better.

The Federal minimum wage today is only \$5.15 per hour. Someone who works at this rate for 40 hours a week, 52 weeks a year takes home less than \$11,000 annually far below the poverty line for families.

Increasing the Federal minimum wage to \$7.25 per hour would impact nearly 13 million Americans, the majority of whom are women, 59 percent, and people of color, 40 percent. Eighty percent of those impacted would be adult workers, and most are full-time employees.

The consequences of nearly a decade of inaction are clear.

Almost 40 million Americans live in poverty, 13 million of whom are children.

Increasing the Federal minimum wage to \$7.25 would add nearly \$4,400 to a minimum wage worker's annual income, representing, for many families, the difference between self-sufficiency or living below the poverty line.

For most Americans, the choice is clear. In the last election, voters in six States Arizona, Colorado, Missouri, Montana, Nevada, and Ohio supported initiatives to increase their State minimum wages. In fact, 29 States, nearly 60 percent, have a minimum wage above the Federal level.

I am proud that my own State of California has one of the highest minimum wages in the country, at \$7.50 per hour, increasing to \$8.00 per hour next year. Many California cities and counties stipulate that workers must be paid a living wage, which in some cases guarantees an additional \$3 or \$4 per hour.

There are two options before the Senate today. This body can act swiftly and stand behind nearly 13 million workers. Or we can delay action, by modifying the legislation before us to include \$8.3 billion in tax breaks for small businesses.

Packaging the minimum wage bill with these tax cuts is disadvantageous to businesses and minimum wage workers. Adding a tax package creates procedural hurdles that could significantly delay implementation of this wage increase.

The U.S. Chamber of Commerce opposes linking these small business tax breaks to this legislation because many of the tax provisions are only

temporary extensions. They do not provide the long-term relief that businesses seek.

Considering the package of small business tax cuts separately would facilitate a more robust discussion of how small businesses the primary job creators in this country can receive genuine relief from the rising costs of operations.

Many small business owners would suffer no adverse impact if the minimum wage were increased. A recent Gallup Poll in the Sacramento Business Journal showed that 86 percent of small business owners surveyed do not believe that an increase in the minimum wage would harm their businesses.

Nearly 75 percent of small business owners thought that a 10 percent minimum wage increase would have no impact on their businesses at all. More than half of those polled thought the minimum wage should actually be increased.

The evidence shows that increasing the minimum wage does not adversely affect the economy. In fact, in Los Angeles and San Francisco, raising wages added stability to many businesses and the local economy.

In San Francisco, turnover for home-care workers fell by 57 percent after the city implemented its living wage policies.

The average job tenure of workers in fast food restaurants increased by 3.5 months.

In Los Angeles, businesses affected by a living wage ordinance had one-third less turnover among low wage earners, and absenteeism declined.

Higher wages improve worker loyalty and increase employee retention, while decreasing employee hiring and training costs.

Let me be clear: I support many of the tax cuts for small businesses. I think they should be considered, with the proper offsets, as part of a separate revenue-neutral tax bill. But they should not be included in this must-pass minimum wage bill.

Ensuring that all American workers receive fair pay for a hard day's work should not be a partisan issue. The House overwhelmingly passed this legislation by a vote of 315 to 116, with more than 80 Republicans crossing party lines to support this cause.

Congress has increased the minimum wage nine times since the enactment of the Fair Labor Standards Act, under both Republican and Democratic administrations. Only once, in 1996, was a minimum wage increase paired with tax cuts.

The purchasing power of the minimum wage is at its lowest level since 1955. The cost of living is up 26 percent since the last minimum wage increase in 1997.

It is unfair to punish hard working people and make them wait for an increase. We must not delay. We must not bog down this bill with procedural tactics.

American workers deserve better. I urge my colleagues to do what is fair and just: Pass a clean minimum wage bill. Let's provide immediate relief to those who need it most.

I thank the Chair.

The PRESIDING OFFICER (Mr. OBAMA). The Senator from Virginia is recognized.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that we now proceed to a period of morning business, with Senators permitted to speak for up to 5 minutes each.

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

Mr. WARNER. Mr. President, I desire to address the Senate at this time. It would be my hope that my colleague, the Senator from Nebraska, could follow me and, indeed, following the Senator from Nebraska, the Senator from Maine. I put that in the form of a unanimous consent request at this time.

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

(The remarks of Mr. WARNER, Mr. NELSON of Nebraska, Ms. COLLINS, and Mr. SALAZAR pertaining to the submission of S. Con. Res. 4 are printed in today's RECORD under "Submitted Resolutions.")

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

The PRESIDING OFFICER (Ms. CANTWELL). The clerk will call the roll. The bill clerk proceeded to call the roll.

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

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

REQUEST FOR SEQUENTIAL REFERRAL

Mr. REID. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me dated January 24, 2007, from Senator LEVIN.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, January 24, 2007.

Hon. HARRY REID,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR REID: Pursuant to paragraph 3(b) of S. Res. 400 of the 94th Congress, as amended by S. Res. 445 of the 108th Congress, I request that the Intelligence Authorization Act for Fiscal Year 2007, as filed by the Select Committee on Intelligence on January 24, 2007, be sequentially referred to the Committee on Armed Services for a period of 10 days. This request is without prejudice to any request for an additional extension of five days, as provided for under the resolution.

S. Res. 400, as amended by S. Res. 445 of the 108th Congress, makes the running of the period for sequential referrals of proposed legislation contingent upon the receipt of that