

our Nation in the U.S. Army, returning to journalism and San Diego after the war.

A gentleman, a statesman, and a friend to all, Van earned the respect of his colleagues on both sides of the aisle. He tirelessly worked on behalf of the people of San Diego. His legacy is substantial in San Diego—he helped to establish the Naval Medical Center San Diego as well as a Veterans' Administration hospital. Lionel's spirit continues in the generations of leaders he mentored and counseled.

After leaving Congress in 1981, Van returned to journalism as a political columnist, first for the San Diego Tribune and later for the Union-Tribune. His columns, which were eagerly read by San Diegans regardless of political party, were remarkable for the clarity and common sense they brought to the political process. As a writer, his chief targets were hypocrisy and vested interests, while his chief passions were American participatory democracy and the San Diego region he knew and served so well.

Van is survived by three daughters: Mary Susan, Victoria, and Elizabeth Louise; two sons: Jeff and John; and four grandchildren.

Our country has lost a remarkable public servant and tutor with the passing of Lionel Van Deerlin. His contributions to the people of San Diego, the State of California, and our Nation should be remembered.

LITIGATION COST DEDUCTIONS

Mr. SPECTER. Mr. President, on March 8, 2007, I introduced S. 814. The bill has nine cosponsors: Senators GRAHAM, SMITH, CRAPO, MARTINEZ, LANDRIEU, WYDEN, LEAHY, SALAZAR, and STABENOW. It was included in the energy/business tax extenders package, on which a vote on the motion to proceed failed today.

S. 814, would allow attorneys to deduct reimbursable court costs and expenses—expert witness fees, copying and transcription costs, travel expenses—in the same tax period in which they are paid or incurred. For attorneys paid on a contingency fee basis, the Internal Revenue Service treats these expenditures as “loans” that may be repaid from any award or settlement at the end of the case. For this reason, currently most attorneys may take a deduction only in the same period he recognizes the income from the award—which may be years after the attorney has paid the expense/cost. This is a burden on, and often unfair to, solo practitioners and attorneys in small firms who may have to assume costly loans because they do not have the resources to carry these expenses for multiple years.

In addition, the tax treatment of these expenses is not uniform in all jurisdictions—as some courts have disagreed with the IRS on the current treatment. This is another reason the current rule is unfair and should be changed. Finally, I note that the IRS interpretation is based on State legal

ethics rules about advances to clients that have since been changed.

I voted against cloture on the motion to proceed even though I obviously support S. 814, and although I also support the tax extenders that expired at the end of 2007—including the R&D tax credit, teacher expenses deduction, tuition deduction, and accelerated depreciation for leasehold and restaurant improvements. I also support some tax extenders that are set to expire at the end of 2008—including renewable energy tax incentives.

The main sticking point between Democrats and Republicans is whether temporary extensions of tax relief should be offset with permanent tax increases elsewhere. On April 23, 2008, I, along with 40 other Republicans, wrote to Finance Chairman BAUCUS to support “enacting a 2008 AMT patch and extending the various expiring tax provision without offsetting tax increases.”

The vote was a demonstration by Republicans that they have numbers and that they need to be included in the process of drafting the bill. Republican leadership had no expectation that any Republican amendments would be allowed because of Leader REID's standard operating procedure of filling the tree and filing cloture.

I am told that the leadership on both sides and the chairman and ranking member of Finance will now sit down to discuss the next steps. I think this is a positive development and I will encourage the inclusion in a bipartisan bill of the proposed amendment to the Internal Revenue Code that is embodied in S. 814.

REQUEST TO BE NOTIFIED

Mr. GRASSLEY. Mr. President, I would like to inform my colleagues that I have requested to be notified of any unanimous consent agreement before the Senate proceeds to the consideration of any legislation that amends the Immigration and Nationality Act. I intend to reserve my right to object to any such request unless legislation to reauthorize the E-verify program run by the Department of Homeland Security is included.

Last week, I introduced legislation to permanently extend the employment verification program, which was created in 1996. This program has been a valuable asset for more than 69,000 employers across the country that want to comply with our immigration laws. This program needs to be reauthorized this year. For that reason, I have asked the minority leader to consult me before any unanimous consent agreement on immigration legislation is considered.

COLLAPSE OF THE MIDDLE CLASS

Mr. SANDERS. Mr. President, I ask unanimous consent to have printed in the RECORD “Letters from Vermont and America.”

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

THE COLLAPSE OF THE MIDDLE CLASS

LETTERS FROM VERMONT AND AMERICA

Dear Friend, As gas and oil prices soared and as the nation slipped into recession, I made a request to Vermonters on my e-mail list. I asked them to tell me what was going on in their lives economically. That was it. Frankly, I expected a few dozen replies. I was amazed, therefore, when my office received over 600 responses from all across the State, as well as some from other states. This small booklet contains a few of those letters.

It is one thing to read dry economic statistics which describe the collapse of the American middle class. It is another thing to understand, in flesh and blood terms, what that means in the lives of ordinary Americans. Yes, since George W. Bush has been in office 5 million Americans have slipped into poverty, 8 million have lost their health insurance and 3 million have lost their pensions. Yes, in the last 7 years median household income for working-age Americans has declined by \$2,500. Yes, our country, for the first time since the Great Depression, now has a zero personal savings rate and, all across the Nation, emergency food shelves are being flooded with working families whose inadequate wages prevent them from feeding their families.

Statistics are one thing, however, and real life is another. The responses that I received describe the decline of the American middle class from the perspective of those people who are living that decline. They speak about families who, not long ago, thought they were economically secure, but now find themselves sinking into desperation and hopelessness.

These e-mails tell the stories of working families unable to keep their homes warm in the winter; workers worried about whether they'll be able to fill their gas tank to get to their jobs; and seniors, who spent their entire lives working, now wondering how they'll survive in old age. They describe the pain and disappointments that parents feel as they are unable to save money for their kids' college education, and the dread of people who live without health insurance.

In order to try and break through the complacency and isolation inside the Washington Beltway, I have read some of these stories on the floor of the Senate. It is imperative that Congress and the corporate media understand the painful reality facing the middle class today so that we can develop the appropriate public policy to address this crisis. We must expand low income home heating assistance, stop oil profiteering and price gouging, and support programs that address the growing crisis of hunger in America. The National Priorities Act (S. 818) that I introduced in this session of Congress is one example of legislation that would address the growing crisis.

Let me conclude by thanking all of those people who have so kindly shared their lives with me through these letters. I know that for many of you this was not an easy thing to do.

BERNIE SANDERS,
United States Senator.

Here are letters from two mothers in Vermont. The first is from a woman in rural area; the second is a single mother in a small city.

We have at times had to choose between baby food and heating fuel.

My husband and I have lived in Vermont our whole lives. We have two small children (a baby and a toddler) and felt fortunate to own our own house and land but due to the increasing fuel prices we have at times had to choose between baby food/diapers and