

Mr. LEMIEUX. This document goes through the various offers of assistance and what is the current status of the response. So if we go to the European Maritime Safety Agency, skimmers, under consideration. May 13 is the date of the offer. As of last Friday, no response. Republic of Korea, skimmers, under consideration. May 2, the offer is made. As of last Friday, no response. Sweden, April 30, skimmers; more skimmers offered on June 15. Under consideration. No response. United Arab Emirates, skimmers, under consideration, offer made May 10. No response. Why are we not welcoming all of these offers of assistance to bring these skimmers and put them in the Gulf of Mexico to suck up the oil?

I wish to show an example of an offer of assistance made to the United States. The ship here is from a Dutch company called Dockwise. The name of this vessel is the *Swan*. Unlike some of the skimmers being used and deployed by the Navy, which can be put on a train car or flown on an airplane to the location—and although very welcome are relatively small—this is a massive ship that could take in 20,000 tons of oil or an oil-water mixture off of the water. They rig the ship with skimming equipment that hangs off the sides.

So on May 7, Dockwise offered the *Swan* to the United States. The offer went under consideration. After 48 days, the offer for this massive ship with 20,000 tons of skimming capacity is still under consideration. But the ship is not available anymore because Dockwise now has employed the ship for other purposes because the U.S. Government, from all the information we have, never got back to them. Here is a Dutch company offering us a massive ship to skim 20,000 tons of oil and water off the top of the Gulf of Mexico, and the U.S. Government doesn't return the phone call. They never hear whether we want the ship. People involved with the situation believe the *Swan* was rejected due to Jones Act considerations and that a similar vessel, the SEACorp vessel named the *Washington*, was chosen instead. The *Washington* is an American flag vessel. Its capacity is 1,000 tons, one-twentieth the capacity of the *Swan*. I am for America first, but why aren't we using both of them? There is plenty of oil to skim up. Use the American vessel, but don't fail to respond to the Dutch company that has this massive ship that has a 20,000-ton skimming capacity. Why would we not employ both?

I could not be more frustrated with the lack of response. I could not be more frustrated with the lack of a sense of urgency from this administration in getting this job done.

The people of the State of Florida are scared to death about the oilspill. When I was in Pensacola last week, I met a woman who works at the pier on Pensacola Beach. I asked her how things were going. She serves food at the pier.

She said: It has been very harrowing for us.

I asked her: Are people coming out?

She said: People from north Florida are coming to the beach. These are people who haven't been to the beach in a long time.

I said: Why are they coming?

She said: They are coming to see the beach one last time, as if they were going to visit a friend who was on his or her deathbed. They don't believe the beach will ever look the way they remember it looking.

Why we are not deploying every available national asset, military asset, and accepting every offer of assistance from foreign countries is beyond belief, and it is not acceptable. I will continue to meet with the Coast Guard and the Navy. When I see the President tomorrow at the White House, I will raise this issue with him. I will do everything I can to keep clamoring for this. It is not acceptable that in this, the greatest country in the world, our response would be this anemic.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, at 12:28 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask unanimous consent to speak as in morning business.

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

MORNING BUSINESS

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business until 5 p.m. with the time equally divided between the two leaders or their designees, with Senators permitted to speak for up to 10 minutes each.

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

The Senator from Wyoming.

SELF-EMPLOYMENT TAX

Mr. ENZI. Mr. President, the Reid-Baucus tax extenders bill before the Senate includes several provisions that, to my knowledge, have never been vetted by congressional tax writers either in the Senate Finance Committee or in the House Ways and Means Committee. As an accountant with practical expertise in tax matters, this disturbs me greatly. It should also disturb the small business owners because there is a provision in this bill that would slap them in the face with a 15-percent tax increase. I am talking about the provision that would apply a

15.3-percent self-employment tax to the distributions of certain subchapter S corporations. Those are the small business corporations. This self-employment tax would apply when 80 percent of the gross income of the small business is attributable to three or fewer professionals in a professional services corporation. We are talking about the smallest of the small businesses.

This is a \$9.1 billion hit on a small subset of small businesses engaged in a service trade. I wonder, the next time an offset is needed, will the Senate go after all the small businesses, changing the Tax Code this same way?

My colleagues on the other side of the aisle call this a "loophole closer" or an "anti-fraud provision." I assure my colleagues this is neither. These words are convenient labels my colleagues use to defend tax-and-spend policies. The small business corporation provision is, however, a massive tax increase on small business.

This new payroll tax on nonwage income would hurt the ability of small businesses to reinvest and to create jobs. At nearly 10 percent unemployment, I don't think the Federal Government is in any position to pursue job-killing tax increases. Small businesses are the lifeblood of our economy. It is imperative that we nurture their growth, not hinder it, so they can create jobs and get our economy back on track.

None of us is in favor of fraud, but that is not really what we are talking about.

If the IRS wants to improve compliance with the self-employment tax, they have the right tools. They just need to use them. For example, the IRS Revenue Ruling 74-44 that specifically addresses the tax treatment of dividends in lieu of compensation gives them all they need.

I ask unanimous consent to have the IRS revenue ruling printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. ENZI. I also have pages and pages of case law of which the IRS has successfully litigated the issue of dividends in lieu of compensation and the applicability of employment taxes.

Plus, Congress has codified the economic substance doctrine which says a transaction must have an economic purpose aside from the reduction of tax liability in order to be considered valid. In my opinion, this is the IRS's ace-in-the-hole card. The IRS can close any loophole—real or imagined—with the power of the new law.

Why can't the IRS do its job with the volumes of legislative regulatory and judicial tools it already has? For example, the IRS revenue ruling could be codified somehow, but then it wouldn't provide an offset for new programs, would it? Nor would it permit my colleagues across the aisle to reduce the tax on venture capitalists for their carried interest. I don't like the carried