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## Senate

The Senate met at 10 a.m. and was called to order by the Honorable TOM UDALL, a Senator from the State of New Mexico.

### PRAYER

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

Let us pray.

Almighty God, by Your providence, You gave us a nation conceived in liberty and dedicated to equal justice for all.

Today, infuse our lawmakers with this spirit of liberty and justice so that their labors will reflect Your purposes and plans. May their knowledge of your providential purposes keep them from detours that lead away from abundant living. May their small successes prompt them to attempt larger undertakings for human betterment. As they seek to do Your will, bless them with the awareness of the constancy of Your presence. Lord, guide them by Your higher wisdom and keep their hearts at peace with You.

We pray in Your great Name. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable TOM UDALL led the Pledge of Allegiance, as follows:

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

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, July 14, 2010.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable TOM UDALL, a Senator from the State of New Mexico, to perform the duties of the Chair.

DANIEL K. INOUE,  
President pro tempore.

Mr. UDALL of New Mexico thereupon assumed the chair as Acting President pro tempore.

### RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

### SCHEDULE

Mr. REID. Mr. President, following leader remarks, the Senate will proceed to a period of morning business until noon. Senators will be allowed to speak for 10 minutes each during that period. The majority will control the first 30 minutes and Republicans will control the next 30 minutes.

We are working hard to come to agreement on amendments dealing with the small business jobs bill. I had a conversation with the Republican leader last night. We are hopeful we can reach agreement to move forward on that legislation today. We have to have consent to move off Wall Street reform, but I think that will not be a problem.

As a reminder, yesterday I filed cloture on the conference report to accompany H.R. 4173. That cloture vote will occur sometime tomorrow morning. I will work with the Republican leader to come up with a time that is convenient to both sides.

### MEASURE PLACED ON THE CALENDAR—H.R. 5618

Mr. REID. I understand H.R. 5618 is due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bill for the second time.

The legislative clerk read as follows: A bill (H.R. 5618) to continue Federal unemployment programs.

Mr. REID. I object to any further proceedings at this time.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar.

### RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

### SMALL BUSINESS JOBS BILL

Mr. McCONNELL. Mr. President, my friend the majority leader mentioned the small business jobs bill. I recently had an opportunity to talk to Senator SNOWE, who is the author of that legislation. I assured her we are anxious to move forward. I appreciate his bringing up the discussion we have been having about reaching a consent agreement that would allow us to expedite the bill. I know my friend from Nevada shares my view that small business is an area that needs attention. We are going to continue to try to come to agreement to move forward with that very important piece of legislation which I support and I believe most Members of my conference do as well.

Mr. REID. Mr. President, as I have said before, this legislation is bipartisan. Most of the bill has been crafted in the past when Senator SNOWE was chairman of the Small Business Committee. I am glad to hear my friend Senator SNOWE has had a conversation with the Republican leader. That is good news. We will see what we can do to move on. I hope everyone realizes that jobs in America are not created in large numbers by big companies; it is small businesses.

In the past few months, we passed a relatively small piece of legislation, but it has been extremely helpful to

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



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small business. We extended the highway bill for a year. That saved 1 million jobs in America, hundreds of jobs in Nevada. We also had a provision that was unique and has created some jobs that has been extremely helpful. If somebody is out of work for 60 days, they can be hired for 30 hours. We don't set what price they can be hired, the minimum wage or whatever. At the end of their report period for withholding, they don't have to pay the withholding tax. At the end of a year, we give them a \$1,000 tax credit for every employee. We also did something that was totally bipartisan, a bill developed by Senators SCHUMER and HATCH. That is what I just talked about. That was totally bipartisan. We had another provision in that bill that said that a small business, if they wanted to buy a piece of equipment, whether it was an automobile, furniture, whatever it might be, no longer had to depreciate that. Up to \$250,000, they could simply write it off. We also added to that bill some money for Build America Bonds which local governments loved. That has created some jobs, but it is relatively small compared to the other things we have in this bill before the Senate now. I am glad to hear what the distinguished Republican leader had to say about that.

Mr. MCCONNELL. The majority leader is entirely correct about the importance of small business. We know it creates the vast majority of jobs. There is no question that small business at this particular point is kind of frozen with concern about the economy, about increased regulation, the potential for increased taxation as well. Senator SNOWE has certainly been the leader on our side on focusing on small business and small business job development. I am hoping we can work out a way to go forward on a bipartisan basis. It sounds to me as though both sides agree on the premise. Now if we can get a procedure for moving forward, hopefully we can address this most important subject.

#### RESERVATION OF LEADER TIME

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

#### MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business until 12 noon, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees, with the majority controlling the first 30 minutes and the Republicans controlling the next 30 minutes.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CARPER. Good morning, Mr. President.

#### IMPROPER PAYMENTS

Mr. CARPER. Mr. President, I rise today to applaud, really, to share with our colleagues an important step by Congress to curb waste and, I think, fraud within the Federal Government. Later today our colleagues over in the House, where both the Acting President pro tempore and I once served, are expected to approve a piece of legislation—not a sexy title, but it is called Improper Payments Elimination and Recovery Act—and then they are going to send that bill to the President for his signature.

Every year, for about the last 6 or 7 years, Federal agencies have been required by law—important payments law signed by George W. Bush—to review their payments and to figure out which ones were appropriate and which ones were inappropriate. Initially, back in the middle of the last decade not very many agencies complied with the new law. But thanks to the perseverance of OMB and the commitment of a number of agency and department heads, over time more and more Federal agencies have begun reporting improper payments, mostly overpayments.

As we gather here today, there is still a number of very large agencies that do not comply with the law. The Department of Defense is a huge expender of taxpayer money. The Department of Defense does not comply with the law. The Department of Homeland Security complies in part with the law. If you look at Medicare, for Medicare Parts A and B, I believe they actually do a fairly decent job of complying with the law but for Parts C and D they do not.

But even without the full compliance of all Federal agencies reporting their improper payments, last year close to \$100 billion of improper payments were reported by the agencies that are already reporting them. That does not include the Department of Defense. It does not include all of Homeland Security. Frankly, it does not include some other major programs of the Federal Government.

But the good news here is that, one, agencies are beginning to report their improper payments. That is good. The second thing we want them to do is stop making the improper payments. The third thing we want them to do is to figure out where the improper payments have gone, especially the overpayments, and go out and recover the money. That is what we are about here: identify the improper payments and once they have been identified, stop making them. And the third thing is to

go out and recover as much of the money as we can.

Why is this important? Well, I think we all know our Nation has a large and growing debt. I am not so sure when the Acting President pro tempore joined the House of Representatives, but I believe he may have been there by the end of the Clinton administration and may recall when we actually had balanced budgets. We went from 1968—I want to say to 2000—maybe 2001—when we actually balanced our budget.

I remember being in a hearing here in the Senate where one of our witnesses—I am not sure; I think somebody from the Federal Reserve maybe, maybe somebody from Treasury—actually expressed concerns at the time that we were in danger of paying down our debt too quickly and that we had some threat of destabilizing our financial system or our economy. Imagine that: a decade ago concerns about paying down our debt too quickly.

Well, we did not do that. We did not pay down our debt at all. Between 2001 and 2008, we doubled our Nation's debt. In those 8 years we ran up as much new debt as we did in the previous 208 years of our Nation's history. We are on course now—even though we are starting to see deficits that begin to trend down—to double our Nation's debt again over the next decade, unless we do some things dramatically different.

Our President, to his credit, has suggested among the things we do are these: No. 1, to put an overall freeze on domestic discretionary spending, starting with this October 1, for the next 3 years. Certain programs within the overall discretionary spending budget can go up, some can go down, but overall, for 3 years, a freeze, and not a freeze that is just adjusted with the cost of living but an actual freeze on nominal dollars.

The second thing he suggested we do—when we tried to do this on the floor, seven of our Members who cosponsored the legislation, the Acting President pro tempore may recall, ended up voting against it. But the idea was to create a commission, much as we have had earlier commissions, and especially back in 1982 we created a commission—President Reagan was the President, Tip O'Neill was the Speaker—to actually examine Social Security, which was about to run out of money. They came up with a bunch of ideas that were adopted and implemented in 1983.

But anyway, when we failed to adopt by law and create a statutory commission on deficit reduction to look at entitlements, to look at revenues, our President, by executive order, created the commission. Erskine Bowles is one of the cochairs, former Chief of Staff to President Clinton. Alan Simpson, a Republican Senator, retired, from Wyoming is the other cochair. The people, for the most part, on the commission are very serious, very smart people. They have been meeting quite a bit.

Their job is to come back to us and tell us, later this year, some ways they think we could actually reduce the deficits further, through entitlement spending and looking at revenues and the way we collect money.

There are still some other things we need to do. I want to mention a few of those. One of those deals is what I call the tax gap. The IRS reported that in the last decade some \$300 billion of taxes that have been owed are going uncollected, and in many cases we know who owes the money. We have some idea how much they owe. Despite efforts in the past to close that tax gap, it is still too large, and we need to further continue to concentrate on that. My hope is, in part, this deficit reduction commission can help us with that. In the meanwhile, I know the Finance Committee and others in the House are endeavoring to reduce the tax gap.

A second thing we want to do is to change the way we manage and dispose of surplus property. The Federal Government is a huge owner of surplus properties. We do not use them all. A lot of them are vacant. We pay security costs to secure them. We pay utility costs. We pay maintenance costs in many cases. But we, for the most part, and too often, do not sell them. We do not dispose of them.

There is legislation that has been introduced again in this Congress, working with OMB, working with some of the homeless groups, to try to make sure their concerns are addressed, but that at the end of the day we should not be continuing to own and maintain and secure and provide utilities for thousands of pieces of property, buildings we do not need and we do not use.

Another area deals with weapons systems. It was reported back in 2001 that we spent \$45 billion in cost overruns for major weapons systems. Think about that: \$45 billion in 2001 on cost overruns for major weapons systems. We got an update on that about a year or two ago, and it was no longer \$45 billion. That is the good news. The bad news is, it is about \$295 billion.

We had a big debate here last fall, some will recall, on whether we ought to continue to buy F-22 aircraft that cost roughly \$300 million a copy at about a 55-percent mission capable rate, which means on any given day only about 55 percent of them can fly. It costs about \$45,000 a flight hour. They have never flown a single mission in Iraq, a single mission in Afghanistan. The question is, are we going to continue to buy them? That is the kind of thing we do not need to do.

We had a hearing yesterday in our Homeland Security and Governmental Affairs Committee on whether we ought to continue buying C-17 aircraft. It is a cargo aircraft, a great aircraft. We have about 200, almost 230 of them. The Pentagon says we do not need them, we do not need any more. They say they only need about 190 or 200, no mas, no more. They cost about a quarter billion dollars apiece, plus we have to operate them and provide hangars

for them and maintenance, and so forth, and crew them. They said there is a more cost effective way to meet our airlift needs, suggesting what that might be, in part to modernize some older C-5As and Bs, and help make them more efficient and more dependable. We are already starting to do that, and it is actually very encouraging.

What else can we do? We can do little things. I read in the news, maybe 2 weeks ago, we decided to go almost entirely to direct deposits and to move away from paper check. It does not save a huge amount of money, maybe \$5 million a year, \$50 million over 10 years, but it is the kind of thing we ought to do.

Another idea that has been kicked around for years is whether we ought to give the President something like statutory line-item veto power. Most Governors have line-item veto power, mostly through their State's constitution. Is that a good idea? We tried to do it in the House in 1992, to give like a 2-year test drive, to enhance the President's rescission power. That died in the Senate.

Senators FEINGOLD, MCCAIN, and I have come up, working with the administration, on a 4-year test drive that we think will meet constitutional muster, and to not give forever the President strength in rescission powers, but to make his powers real and to require us to vote on them. It requires us to vote on the President's proposed rescissions.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. CARPER. Mr. President, in closing, I want to come back later today and talk about the Improper Payments Act, which is going to be passed by the House today and I hope signed by the President, to speak about why that is another important step to get our fiscal house in order. I appreciate the opportunity to begin that discussion this morning.

I thank you chair.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

#### NOMINATION OF ELENA KAGAN

Mr. CARDIN. Mr. President, next week, the Senate Judiciary Committee will be voting on the nomination of Elena Kagan to be the next Associate Justice of the Supreme Court of the United States. This vote in the Judiciary Committee follows 4 days of hearings on her nomination. As the Acting President pro tempore knows, she is currently the Solicitor General of the United States. We not only had 4 days of hearings, every member of the Judiciary Committee had ample opportunity to ask questions and get responses from Ms. Kagan. We heard from outside witnesses, some who were directly affected by decisions of the Supreme Court of the United States. We reviewed tens of thousands of pages of documents.

I pointed out during these hearings why Americans should be so concerned

about who the next Associate Justice of the Supreme Court will be because the decisions of the Supreme Court affect your life. If you work, if you are a woman, if you vote, if you care about the air you breathe or the water you drink, if you are a consumer, you need to be concerned about the Supreme Court of the United States.

The Constitution protects us from the abuses of power, whether those powers are generated by government or powerful special interests. The Supreme Court was designed to be the protector of our constitutional rights.

We the people of the United States—

“We the people”—

in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

The authors of the Constitution understood the timeless idea that justice was paramount. After questioning Solicitor General Kagan and listening to her testimony for a week, I am convinced she has a clear understanding of how profound an impact her future decisions may have on the lives of everyday Americans.

Based on the hearing and the conversations I have had with her, I am confident she will put the interests of the American people and justice for the American people first, above popular opinion or politics.

As Solicitor General Kagan said in her opening statement to the committee, equal justice under law “means that everyone who comes before the Court—regardless of wealth or power or station—receives the same process and protections. . . . What it promises is nothing less than a fair shake for every American.”

During the confirmation hearings, I asked Solicitor General Kagan about civil rights, campaign financing, and our environment. I used those three areas to demonstrate how important the decisions of the Supreme Court can be in the lives of everyday Americans. My concerns about recent Supreme Court decisions were an activist court that, by the narrowest margins—usually 5-to-4 decisions—reversed precedent, legislated from the bench, and ruled on the side of businesses over individual rights.

In civil rights, I think the importance of the Supreme Court was underscored by the decision of *Brown v. Board of Education* which opened educational opportunity for the people of this Nation. I pointed out during the hearings before the Judiciary Committee that it was Thurgood Marshall, a young attorney from Baltimore, who argued that case before the Supreme Court and then became, as the Presiding Officer knows, the first African-American Justice on the Supreme Court of the United States, and one of his law clerks was Elena Kagan.

Recent decisions of the Supreme Court underscore my concern as to

whether the Supreme Court is following legal precedent to protect the civil rights of the people of our Nation. The Ledbetter decision dealt with gender equity. Here the Supreme Court, by a 5-to-4 decision, reversed precedent and the clear intent of Congress to deny women the opportunity to effectively enforce their rights for equal pay by saying to Ms. Ledbetter that she had to bring her case on pay discrimination within 180 days of the discrimination, although it was impossible for her to discover she was being discriminated against during that period of time. Now we have taken action in the Senate to reverse that, and President Obama signed legislation to reverse it, but the Supreme Court never should have ruled against American workers and women in the Ledbetter decision.

I also mentioned the Gross decision which deals with age discrimination where the Supreme Court reversed its own precedent and clear congressional intent to deny an effective remedy on age discrimination, changing the standards in order for a person to be able to bring a case.

I talked about campaign finance and the Citizens United case where the Supreme Court, again by a 5-to-4 decision, reversed precedent, reversed congressional action, and allowed more corporate money into our election system. Corporations don't have enough power already? The Supreme Court gave corporations even more influence in our Federal election process.

I was impressed, and I think the members of the Judiciary Committee were impressed, that the first case Solicitor General Kagan decided to argue before the Supreme Court was to try to uphold our action in Congress regarding campaign finance reform. I think Justice Stevens got it right when he said:

Essentially, five Justices were unhappy with the limited nature of the case before us, so they changed the case to give themselves an opportunity to change the law . . . there were principled, narrower paths that a Court that was serious about judicial restraint could have taken.

Then, in the environmental arena, I mentioned the Rapanos case where the Supreme Court, once again by a 5-to-4 decision, reversed the clear intent of Congress and legal precedent to restrict the Environmental Protection Agency's ability to protect the clean waters of our Nation under the Clean Water Act. Then, once again, in *Exxon v. Baker*, the Supreme Court just very recently restricted the amount of claims that can be brought in regards to polluters in the *Exxon Valdez* issue. That is of particular concern to all of us who are trying to make sure those who have been victimized by the BP oil spill have an effective remedy and that taxpayers don't have to provide bailout for the damages caused by BP Oil.

Solicitor General Kagan stated, in answer to questions before us:

Congress certainly has broad authority under the Constitution to enact legislation involving the protection of our environment. When Congress enacts such legislation, the job of the courts is to construe it consistent with Congressional intent.

Well, that is the type of person I would like to see, and I hope all of us would like to see, on the Supreme Court of the United States, giving due deference to Congress as the legislative body under the Constitution. She said: The job of the courts is to construe the laws consistent with congressional intent.

I am puzzled by those who have defended these Supreme Court decisions that have taken away our citizens' rights for civil liberties and civil rights and who say that corporations don't have enough power in this country so they need more power; who have jeopardized our environment and have supported those decisions, even though it reverses previous precedent and even though it is legislating from the courts, reversing congressional action. Those who profess to be against judicial activism have supported those decisions by the Supreme Court of the United States.

I am confident Elena Kagan will follow legal precedent. She will respect the rights of the Congress of the United States to legislate. She will protect our rights against the abuses of power, whether it is from the government or from powerful corporate special interests. She will respect the rights of the people of this Nation that the Constitution was so well designed to deal with.

Lastly, let me say she is well qualified to serve on the Supreme Court of the United States. She was the dean at Harvard Law School, Solicitor General of the United States, commonly referred to as the 10th justice because of how closely she has worked with the Supreme Court. She has received bipartisan support from those who know her best. Former Solicitors General of the United States, appointed by both Democrats and Republicans, support her nomination to be the next Associate Justice of the Supreme Court of the United States. When we confirm her appointment, she will be one of three women to serve on the Supreme Court of the United States, the first time in the history of America and a proud moment for this body to confirm her nomination.

Next Tuesday, I will vote to confirm Elena Kagan to be the next Associate Justice of the Supreme Court of the United States. I look forward to when each Member of the Senate will have an opportunity to vote on her confirmation, and I hope it will be an overwhelming confirmation for her to serve the American people on the Supreme Court of the United States.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

## HONORING OUR ARMED FORCES

SPECIALIST EDWIN C.L. WOOD

Mr. JOHANNIS. Mr. President, I rise today to remember and to pay tribute to a fallen hero, U.S. Army SPC Edwin C.L. Wood of Omaha, NE.

Edwin was a proud member of B Troop, 1st Squadron, 71st Armored Regiment of the 10th Mountain Division operating in Kandahar. As many have heard, this area is a Taliban stronghold and one of the most dangerous areas in Afghanistan.

On July 5, only a few weeks after arriving there, Specialist Wood was killed when an improvised explosive device detonated near his vehicle. His death is a great loss to our Nation and to Nebraska, his home State. People in his home community of Omaha recall Eddie's big heart, his willingness to jump right in to help out, and his longstanding love for the military. He was a leader of the North High School Junior ROTC Program. He served as a counselor and a mentor at the YMCA Camp in Crescent, IA, and from an early age participated in military reenactments with his father. Also from an early age he loved wearing uniforms. His nickname was "Freckles," which also fit his cheerful, helpful personality.

After graduating from North High School in 2009, it did not take long to decide that the U.S. Army was the place for him. Specialist Wood's Army career was short yet very intense. After entering the Army in October 2009, he breezed through basic and advanced training before arriving at Fort Drum. Fort Drum is the home of the elite 10th Mountain Division which specializes in fighting under harsh terrain and weather conditions.

Specialist Wood wanted to serve with the best, and his wish came true. Within a month, he deployed to the Kandahar region of Afghanistan. Shortly thereafter he first encountered the enemy that attacked with an improvised explosive device. Despite lingering effects from his injuries, he chose to stay in the fight with his B Troop buddies.

The decorations and badges earned during a far too brief Army career speak to his dedication and they speak to his bravery: the Army Service Medal, the Army Good Conduct Medal, the National Defense Service Medal, the Afghanistan Campaign Medal with Bronze Service Star, the Global War on Terrorism Service Medal, the Overseas Service Ribbon, NATO Medal, Bronze Star Medal, and the Purple Heart.

He proudly wore the Combat Action Badge, the Expert Marksmanship Badge with Rifle Bar, and the Overseas Service Bar.

Today, I join Specialist Wood's mother and father, siblings and friends in mourning the death of their beloved son, their brother, their friend.

Specialist Wood made the ultimate sacrifice in defense of our great Nation, and we owe him and his family an immeasurable debt of gratitude. May God

be with the Wood family and all those who mourn his death and celebrate his life and his accomplishments. We will remember Specialist Wood when recalling the Nation's warriors who gave their lives so we might live in peace. Their names are etched on the conscience of this Nation.

I offer my prayers to all those serving in uniform today and especially those serving in peril overseas. May God bless them and their families and see them through these difficult times.

Mr. President, I yield the floor.

I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business, and I ask I be given as much time as needed. I promise not to abuse that, but it may go slightly beyond the 10 minutes.

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

The Senator from Illinois is recognized.

#### FINANCIAL REGULATORY REFORM

Mr. DURBIN. Mr. President, probably tomorrow morning, we will consider this conference report, which is historic in its impact on America. It is the conference report of the Banking Committees of the House and Senate, which were charged with the responsibility to reform the financial laws in America, to make certain that our country never faces again what we faced a short time ago under President Bush.

We can remember that at the end of the President's term, when the economy started to go into a tailspin. I remember it very well because there was a special meeting called in October of 2008 of the leaders of the House and Senate—Democratic and Republican—to meet with the Chairman of the Federal Reserve, Ben Bernanke, and the Treasury Secretary, Mr. Paulson, to discuss a matter of great urgency. Those types of meetings are rare around here, and everyone was a little nervous as we entered the room that is a few feet away from the Senate Chamber.

These two leaders of our economy came forward and told us that we were facing the collapse of major businesses in America. Specifically, they pointed to the collapse of AIG. It was an insurance company—the largest in our country. Unfortunately, they had engaged in some practices where it had promised as an insurance policy that it would back up commercial transactions. If they fail, AIG, the insurance

company, would come in and make the parties whole.

They overextended themselves. In so doing, as these commercial transactions started to fail, AIG did not have sufficient reserves to meet their promises. There was a fear that if they started this cascading effect of failures and the inability of AIG to keep its promise, it would result in a panic in our economy and a decline, which would have been even more precipitous than what we had imagined.

It was at this meeting that Ben Bernanke of the Federal Reserve said they were going to provide significant resources to AIG to help them weather this crisis. It came as a surprise to many of us in the room, unaware of the fact that the Federal Reserve had both the resources and the legal authority to do that. It is an authority that had not been exercised, to my knowledge, since it was first created almost 80 years ago.

That was the first meeting. It was an indication of a terrible, rocky, rough road ahead for America and ultimately for the world. Subsequent meetings were even more alarming, as we were told by Secretary of the Treasury Hank Paulson that unless we came up with \$800 billion in what was known as the TARP fund, which would be used to basically bail out the largest financial institutions in America, America's economy and the global economy could collapse. I have been involved in public life for a number of years. That is the type of conversation you never forget. Many of us were at a loss to argue the other side of the case that the problem was not that large or that the response did not have to be that significant or that the strategy and tactics were not the right ones. This was really uncharted water. We relied on our economic leaders from the Federal Reserve and from the Department of the Treasury to suggest what we needed to do to go forward.

This rescue operation had some real value, I believe, in slowing down the decline in our economy. But just a few weeks after that, the election of the new President, Barack Obama, really gave to him and the new administration economic challenges which no previous administration had ever faced. When the President came to office, in the month he was sworn in, almost 750,000 were losing their jobs. In the span of the next 60 and 90 days, the numbers grew. The President walked into a terrible situation, with the economy still in decline, with the TARP program President Bush had started in process but not completed, with unemployment reaching modern-day record levels, and with no end in sight. He inherited the biggest deficit in the history of the United States from President Bush. What a contrast to what President Bush inherited 8 years before.

Yesterday, when President Obama named Jack Lew as the new head of the Office of Management and Budget, he

said Jack, who is an extraordinarily talented public servant, is fit for the Hall of Fame. I am sure Jack Lew, a modest man, would dispute that. The record speaks for itself.

In his former capacity as Budget Director under President Clinton, Jack Lew, in January of 2001, left President George W. Bush a surplus in the Federal Treasury of \$236 billion. That is an amazing legacy, to end 8 years of President Clinton's administration with a surplus in the Federal Treasury, the deficit coming down, Social Security getting stronger, and to hand it off to President Bush. At that moment in time, the accumulated debt of the United States of America from the time of George Washington until the end of the Clinton Presidency was approximately \$5 trillion. Eight years later when President George W. Bush left office, the accumulated debt of America had grown from \$5 trillion to \$12 trillion—more than doubled in an 8-year period of time. Instead of leaving to President Obama a surplus, as President Bush had inherited from President Clinton, he left him a \$1.3 trillion deficit. President Bush's administration, which was dedicated to balancing the budget and conservative fiscal policy, more than doubled the national debt that had been accumulated by America in its entire history, and instead of leaving a surplus for incoming President Obama, left him a gaping hole in the budget.

In that context, we have many challenges, but one of the challenges is to make sure we never, ever again experience what happened with these terrible decisions being made on Wall Street and the virtual collapse or decline of the American economy, which led us into our deficit situation, to the business losses across America, and record levels of unemployment.

President Obama challenged us to come forward with Wall Street reform, change the way we do business on Wall Street so we never have to go through this again. Let's not have a repeat of this economic disaster. I commend Chairman Chris Dodd and Chairman Barney Frank for the extraordinary effort they put into this conference report.

More than 2 years after Bear Stearns failed, more than 18 months since Wall Street brought America to the brink of another depression, more than a year after President Obama provided his outline for strong financial reform, finally Wall Street reform is coming. After 8 million Americans—actually, more than 8 million Americans—have lost their jobs; after more than 1.2 million Americans have lost their homes; after the American average household has lost 20 percent of its accumulated wealth and savings, finally Wall Street reform will help prevent such a crisis from ever occurring again.

As we began this debate in the Senate several months ago, we were faced with a series of challenges and questions:

Should we give America's consumers the strongest consumer protections in our history or should we allow Wall Street to continue to do business as usual, complete with the fine print, the tricks and the traps, and the shadowy markets we have today in America?

Should we empower consumers to make informed choices for themselves and their own economic future when it comes to mortgages, credit cards, and student loans by forcing banks and credit card companies to offer clear terms in plain English or should we allow Wall Street and the predatory lenders to continue to skirt the law, knowing there is no cop on the beat to enforce it?

Should we force the Wall Street banks to make their big gambling bets on commodities and everything else they can dream up out in the open, on fully transparent exchanges, or should we allow Wall Street to continue running a multitrillion-dollar shadow casino, one nobody can monitor, one that allowed AIG to nearly cripple the entire financial system?

Should we protect the taxpayers so they never again are faced with bailing out the biggest banks in America? And—let me add insult to injury—after we put all our hard-earned tax dollars into bailing out the big banks, they showed their gratitude by giving bonuses, multimillion-dollar bonuses, to one another. Should we change that? That was one of the questions facing us when we debated this legislation.

This conference report has the right answers to those questions. The Dodd-Frank Wall Street Reform and Consumer Protection Act accomplishes two basic goals: It substantially reduces the risk that financial markets will cause the economy to implode again, and it empowers consumers and small businesses to make better financial choices.

To reduce the risk of another financial crisis, this bill strengthens three traditional layers of oversight of financial institutions:

First, the bill improves basic bank governance so institutions are run more carefully and more prudently. Executive pay and banking is going to be tied more closely to long-term gains rather than massive risk-taking, short-term thinking, and mortgages and other loans will have to be underwritten much more carefully.

Second, the bill helps creditors and investors spot problems more easily at banks that continue to be run poorly. That imposes an extra layer of discipline when bank boards fall asleep at the wheel. Credit rating agencies and the SEC will provide much better information to investors in both the debt and equity markets than investors have today. I might add, as chairman of the subcommittee which funds both the Securities and Exchange Commission and the Commodity Futures Trading Commission, we are dramatically increasing the resources for each of those watchdog agencies to make sure

they can implement the new powers given them by this law.

Third, the bill strengthens the regulatory structure that oversees the financial industries. That will help us identify and address failures at these institutions that are not properly managed either by bank leadership or by pressure from the debt and equity markets. A new Financial Stability Oversight Council will require regulators to work together more closely to minimize systemic risks. A new resolution authority will give regulators tools they lacked when Lehman Brothers was in meltdown. And risky derivatives will be brought out of the shadows and into transparent clearinghouses and exchanges so that the transactions can be seen rather than hidden from public scrutiny.

That is all very important, but outside Washington and New York, many American families and small businesses are basically going to ask: That is all well and good, Senator. What is in it for us?

The Dodd-Frank conference report will bring basic accountability and fairness to consumers and small businesses across the Nation.

First, a new Bureau of Consumer Financial Protection will protect consumers of financial products from the worst forms of abusive lending.

One of the benefits of this job is we get to meet some of the most impressive people in America. One of those persons is a woman named Elizabeth Warren. She is a law school professor at Harvard. Several years ago, Professor Warren came and spoke to us at one of these weekend getaways we have to try to think beyond the pressing business of today in longer terms. She said what we need in this country is an agency that helps consumers have enough information so they can make the right choices for themselves when they are making financial decisions.

I went up to her after her remarks, and I said: Professor Warren, I want to introduce that bill. Will you help me write it?

And she did. I introduced the earliest legislation on this issue. My version of it has been included in this bill but changed. I think they have improved substantially on the original bill I offered, but credit should be given where it is due. Professor Warren inspired me to write my bill and I know inspired many on the conference committee to follow through and pass this legislation.

Lenders will have to compete for business based on good loans rather than competing to dream up clever tricks in order to drain as many dollars as possible out of borrowers' pockets.

Finally, there is going to be a cop on the beat with this consumer financial protection agency to ensure that mortgage brokers, private student lenders, payday lenders, banks, and credit unions provide consumers with complete information so families can make good financial choices. I cannot tell

you how much the banking lobbyists hate this provision. They came to my office and said: This is the worst idea possible, to have an agency that is going to watch the documents we put in front of our borrowers to make sure they do not include deceptive language, tricks, and traps that could literally cost a person, a family, the money they have saved. Fortunately, we overcame that lobby and included this consumer financial protection agency as part of the act. Finally, there is going to be a single voice in Washington, DC, with the mission of helping consumers make the right decisions for themselves.

Second, small businesses and merchants will receive relief from one of their largest expenses over which they currently have no control—debit card interchange fees. For most people, they never heard of it. But ask a restaurant, a business, a grocery store in Iowa, in Illinois, or in New Mexico what is the biggest pain in the neck they are running into, and they will tell you that on the short list is the money they have to pay to Visa and MasterCard and other credit card and debit card companies every time a customer uses a card. You don't think about it, do you, that when you hand over that credit or debit card to pay for your restaurant bill, not only do you have an obligation to pay what you have just charged but the restaurant is going to end up paying a percentage of your bill to the card company.

It turns out that small businesses and merchants across America have literally no strength, no power, no voice in determining these interchange fees. We are becoming more and more a plastic culture. Our young pages here in the Senate—and I think of my own children—many of them don't carry much cash around any more. They have little plastic debit cards and credit cards which they use when they become of age and are eligible for them. More than half the transactions in America now are done in plastic. As more of these transactions take place, the merchants and businesses which honor the cards find that the interchange fees charged by the credit card companies are virtually uncontrollable, until this bill.

For years, Visa and MasterCard, and their big bank backers, have unilaterally fixed prices on the fees small businesses pay every time they accept a debit card from a customer. The two giant card networks control 80 percent of the debit card market—that is Visa and MasterCard. And it is no surprise that debit interchange fees have risen, even as the price of processing the transaction has fallen. They can impose these prices and say to the local businessperson: Take it or leave it. Small businesses in Illinois and throughout the country have pleaded over and over again with these card network giants: Give us some way to reduce these costs so that we can reach profitability, hire more people, and prosper as a business and pass on savings to consumers.

The conference report that we have before us will require the Federal Reserve to ensure that Visa, MasterCard, and their big bank allies can only charge debit interchange fees that are reasonable and proportional to the cost of processing each transaction. It also prevents Visa and MasterCard from engaging in certain specific anticompetitive practices. I might add, the Department of Justice's antitrust section has confirmed publicly, at a meeting before the Senate Judiciary Committee a little over a month ago, that Visa and MasterCard are currently under investigation. Finally, Visa, MasterCard, and the Wall Street banks will face some check against their unbridled market power in the credit and debit industries.

Finally, small businesses and merchants are going to have relief that will lead to real savings, profitability, and reduced cost for consumers. The Dodd-Frank Wall Street Reform and Consumer Protection Act is a landmark bill, including the most sweeping reforms to Wall Street since the New Deal.

Let me tell you the political reality. In the Senate, there are 41 Republican Senators. The bill I have described should be a bill supported by both sides of the aisle. We will be fortunate to have four or five Republicans step up and join us to pass this bill. The overwhelming majority of Republicans will oppose this bill and side with the banking industry.

One of the Republican leaders in the House, JOHN BOEHNER of Ohio, said we were using with this bill a nuclear weapon to kill an ant. I don't think anybody in America believes the recession we are facing today, with 8 million unemployed and 1.2 million losing their homes, is an ant. It is devastating to the millions of Americans who are unemployed and those who are losing their homes. I think this response is a measured, thoughtful, good response to deal with it.

Why don't we have the support of more Republicans? Why won't they step up with us and make this bipartisan? Four or five of them will have the courage to do it, and I tip my hat to them. I am glad they are joining us. This should be a bipartisan effort. But the others need to explain why they do not want us to move forward with financial regulatory reform. They have to explain why they wanted to stand for the status quo, leave the laws as written, and run the risk of another recession in another day, leading to millions of people losing their jobs and businesses failing. They do not have an answer for that. Their vote against this will be good news to the banking industry, the special interest groups, such as credit card companies, but it certainly doesn't face the responsibility we all have to deal with the economic crisis facing this Nation.

On behalf of the taxpayers in Illinois and throughout the country, who never again want to bail out big banks, I

wholeheartedly support this bill's passage. On behalf of consumers and small businesses in Illinois and throughout the country, who want the power to make wise financial choices, I wholeheartedly support this bill. I am going to urge my colleagues to vote yes on this conference report so that President Obama can sign this bill into law.

Finally, reform will have to come to Wall Street.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BURRIS). The Senator from Iowa.

#### EXTENSION OF UNEMPLOYMENT COMPENSATION

Mr. HARKIN. Mr. President, I want to thank my friend and our majority whip, Senator DURBIN, for laying out, I think in very stark and honest and open terms, what we are facing in this country today. I wish to pick up on that and to carry it a little further in talking about the number of people who are unemployed, what is happening to people across America today who can't find work, while the Congress sits here immobilized, unable to pass an extension of unemployment insurance benefits.

It is unconscionable what is happening to so many people in America, through no fault of their own—people who are at the end of the line. They are looking to us, asking us to do something. Yet the Congress sits here immobilized, unable to act. We are unable to act because a small minority here in the Senate on the Republican side refuses to let us move ahead with an extension of unemployment insurance benefits. If we could ever have a vote—if we could get a vote on it—we would get over 50 votes. A majority would vote for the extension. But once again, under the rules of the Senate, a minority of the Senate gets to decide what we vote on.

I wonder how many students in government classes that are being taught in high school today, even in college, are being taught that the majority does not govern in the Senate. I wonder how many understand that in our democratic form of government, 41 Senators decide what we vote on—41. Not 51 but 41 Senators decide what legislation comes before this body.

You can go back to the Framers of our Constitution and read all they wrote in our Federalist Papers—what Madison said and others—and they all warned against the tyranny of the minority. That is why they set up a system of majority rule. I think it was Madison who referred to the aspect as perhaps a small junta being able to control legislation if we did not have a majority vote. Well, we have turned that on its head. Because today, a minority—41 Senators—decides what we vote on. Please explain that in terms of our democratic principles to kids who are taking government classes throughout America today.

Go to other countries, where we are trying to get them to establish demo-

cratic forms of government, and tell them: Oh, it is okay to have a minority decide what you vote on. They have to scratch their heads and say: What are you talking about? We need a majority. Yet here in our own country, a minority rules in the Senate.

I know a lot of polls show that people are angry and they are mad at Congress. I can understand that. If I had been out of work for 99 weeks and I had a family to feed and house payments to make and all of a sudden my unemployment insurance benefits ended, I would be pretty mad at Congress too. I think what the Republicans are counting on is that this fall they will be so mad they will vote against whoever is running Congress, and that is the Democrats, obviously. That is what they are counting on; that people will vote because they are mad, they are angry, and they will vote the Democrats out. Yet it is the Republicans, a minority, who are keeping us from voting on extending unemployment insurance benefits.

I don't care what my friends on the other side of the aisle think. The American people will know. People are not stupid. The voters of this country are pretty smart. Oh, you might fool them for a little bit. As Abraham Lincoln said: You can fool them for a little bit, but not all the time. And pretty soon they will catch on. They will catch on that the Congress is not acting because a small minority of the Senate will not let us act.

A group of business economists recently released their economic outlook and they said that we are on track for recovery. They gave a large share of the credit to the Recovery Act that we passed last year, of course without one single Republican vote. I think the recovery bill prevented a catastrophe. But, quite frankly, the economy is still in the doldrums. Sales of new homes plummeted last month to 33 percent, the lowest level in 40 years.

According to the Federal Reserve, U.S. companies—get this—private U.S. companies are now hoarding an all-time high sum of \$1.84 trillion in cash. Companies in America are holding \$1.84 trillion in cash. They are unwilling to invest, to hire, or to expand. So again, it is a very fragile recovery that could dip back into even another big recession.

We had the Great Depression in the 1930s. In the 1990s, as a result of the profligate spending and the huge tax cuts for the wealthy under the Bush administration and the Republicans who controlled Congress—as the Senator from Illinois pointed out—President Obama was left with a deficit of \$1.3 trillion. When President Clinton left office, there was a budget surplus of about close to \$300 billion. Because of all that, we have had the great recession of the 2000s—2007, 2008, 2009, and now 2010.

A lot of figures are thrown around about how many are unemployed. The official unemployment is 9.5 percent

with nearly 15 million workers. But the real unemployment, including those discouraged workers, those who are working part time because they can't find a full-time job, is close to 26 million Americans. Twenty-six million Americans can't find a full-time job. They are desperate and they need help. Right now, there are five job seekers for every new job opening. Actually, more accurately, there are more than eight. This 26 million who are right now unemployed, officially, they say, there are about 5 to 6 unemployed workers for every job. But actually, it is closer to about eight job seekers for every opening.

I was reading an article in the Post yesterday. Michael D. Tanner, a senior fellow at the Cato Institute—a libertarian think tank—said:

Workers are less likely to look for work or accept less than ideal jobs as long as they are protected from the full consequences of being unemployed. That is not to say that anyone is getting rich off of unemployment or that unemployed people are lazy, but it is simple human nature that people are a little less motivated as long as the check is coming in.

Boy, that almost takes your breath away, that we have people such as this in high places who are setting economic policy, or trying to set economic policy. He says: As long as people are protected from the full consequences of being unemployed. What does he mean: They have to starve; they have to go out on the street corner with hat in hand, give up their homes, put their furniture out on the street, send their kids to the orphanage? Is that what Mr. Tanner means by the full consequences of being unemployed? Maybe starving; can't get enough to even eat? What is he talking about—the full consequences—when there are eight people looking for every job?

He says that by extending unemployment benefits, it makes people less inclined to look for work. You wonder where people like this come from. Where did they ever go to school? What did they learn in their lifetimes? Or are they just so uncaring about their fellow human beings that they just say: Let it happen. Whatever happens, let it happen and the government can't do anything to help.

We had that attitude prior to the 1930s, prior to the Great Depression. But I thought we turned the corner. I thought we recognized that government could be an instrument to make sure that people's lives were not miserable, that they did not have to suffer the "full consequences of being unemployed," being thrown out on the street or starving or putting their kids in orphanages because they couldn't take care of them any longer. I thought we turned the corner on that. But, obviously, there are some who would like to turn the clock back.

There are eight job seekers for every one unemployed. They are hanging by a thread. Their savings are exhausted. They have no safety net whatsoever. Every day we get stories in our office,

heartbreaking stories, of families back home struggling to survive, but there just are not any jobs. I heard from a woman in Waukon, IA. She worked in the same job for 33 years, the plant closed, she and 300 other workers lost their jobs. This is in a town of 3,500 people. She is a diabetic without health insurance. She has applied for more than 200 jobs. She is crying out for a job. She wants to work, but she comes up emptyhanded because there are no jobs.

I heard from a worker in the Des Moines area who had been in the insurance industry for many years and was laid off a year ago. Her benefits were cut off last week. Here is what she said:

My concern is that my family cannot survive without the unemployment benefits. We have depleted our savings just to save the house and not get behind on the bills. I know there are others far worse off. Please help pass the emergency unemployment insurance extension.

These are hard-working people. They have tried their best. They have not shirked their duties and responsibilities. They are being good citizens, hard-working citizens. What we are talking about is just a matter of fundamental fairness and decency and using the power of the government to make sure people do not—what did Mr. Tanner say?—"suffer the full consequences of being unemployed," whatever that may mean.

Yet in the face of these families in this crisis, the extension of unemployment insurance benefits is stalled, it is stuck. I would say it is cruelly obstructed in the Senate. We have tried time and time again to pass an extension. Every time it is blocked by our Republican colleagues on the other side of the aisle. As a result of this, more than 2 million Americans have now exhausted their unemployment benefits.

Actually, when I took this floor before the Fourth of July recess, I talked about the number of people who would be out, and I said it would be about 2 million. It is now 2.5 million. Last week, 2.1 million; this week, 2.5 million. These are people out of work. They have been out of work so long, although they have looked for work, that now their unemployment benefits are gone.

I ask people to think about it. Around this place we all have jobs, don't we? We all have jobs. Everybody who works on the Senate floor has a job. I have a job. You, Mr. President, have a job. We get paid pretty darned well too. We are not facing unemployment. No one who works here is facing unemployment. Just think how you would feel. Just think how you would feel if you got a pink slip yesterday, and it said don't come to work next week. You have house payments to make, you have kids in school, maybe one in college or two. You might even have car payments to make. All of a sudden you are out of work and you cannot find a job. They say: I am sorry, you can't get unemployment benefits

either. What do you do? What do you do?

Put yourself in the shoes of these people. What would you do? How mad would you be at the U.S. Congress and the government if you had worked all your life, like this woman from Waukon, 33 years—out of work, diabetic, no health insurance, has applied for over 200 jobs, can't find a job, and we cut off your unemployment benefits? How mad would you be?

We keep hearing this, and I have heard it from the other side of the aisle, I have heard it from Sarah Palin and others, that people are lazy. They just rely on those benefits instead of looking for work. Even the distinguished minority whip, Senator KYL, put it recently—here is the quote:

Continuing to pay people unemployment compensation is a disincentive for them to seek new work.

There are eight people looking for every job. How low do we have to drive people down? I suppose if we paid people 50 cents an hour we might get people to work, to do things. Is that what we have come to as a country, that people have to be pushed that far down before we respond?

I think those who say people are just lazy are out of touch with reality. Let's look at the facts. Numbers vary from State to State. Unemployment insurance benefits vary from State to State. Right now it is about \$300 a week average nationwide—\$300 a week. For a family of four, get this, if you get unemployment benefits—if you are lucky enough to still be on them—you are getting \$300 a week average. That is about \$15,000 a year. Can you keep your family going on \$15,600 a year, a family of four? The poverty line is \$22,000. I suppose, according to my friend from Arizona, Senator KYL, if you are getting \$15,600 a year, that is a disincentive for you to try to find a job that pays more than \$22,000.

I don't understand the logic of that reasoning. The truth is, the long-term unemployed would like nothing more than to pull themselves up by their bootstraps. But the problem is, in the economy right now we are kind of short of bootstraps.

Another argument I hear from our Republican colleagues is that extending the unemployment benefits will add to the deficit. Their argument is that we should cut off some of the most desperate people in our economy, take away their last meager lifeline, because we are concerned about the deficit. Yet those very same Senators are demanding that we extend hundreds of billions of dollars in tax breaks for the wealthiest Americans in our society. My friend, the Senator from Vermont, Mr. SANDERS, who was here yesterday morning, gave a great speech on what is happening in our society in terms of the few controlling more and more and the rest getting less and less. As he pointed out, the top 1 percent, the richest people in America, control 90 percent of the wealth. They control 90 percent. The rest can get all the rest. Yet

my Republican colleague said we have to keep giving them more tax breaks, but we cannot help people who are unemployed; it will add to the deficit.

Extending these tax breaks for the wealthiest in our society also adds to the deficit, but I guess in their way of thinking that is all right.

Again, when we talk about extending these tax breaks, my friends on the Republican side, they don't say we have to find an offset for it. They say, no, add that to the deficit; we don't have to pay for that. But if we want to extend unemployment benefits, we have to somehow pay for that.

Again, I am sorry, I am lost in the logic of that. According to our Republican colleagues, adding massively to the deficit to finance tax breaks for the wealthy is fine, but adding to the deficit to extend benefits for the long-term unemployed is unacceptable. I just happen to think those are misplaced priorities.

Let me speak a little bit about deficits because they are a concern and they are something we do have to pay attention to and we are going to have to fix for the long term. We are in a fiscal mess. But it was not so long ago then-Vice President Dick Cheney dismissed the need for fiscal responsibility when they were cutting tax breaks for the wealthy, spending more and more. Here is what he said: "Deficits don't matter."

Vice President Dick Cheney said: "Deficits don't matter." Again, under his administration, with President Bush, they didn't matter. Boy, the deficits just spiraled out of control. I do not remember any significant Republican dissent from Mr. Cheney's view during that period of time, that deficits don't matter because they were off going after weapons of mass destruction in Iraq, and that misplaced war has cost us pretty close to \$1 trillion, not counting untold lives lost, people injured for life. And the tax breaks for the wealthy spiraled us, again, into a deficit. But Mr. Cheney said deficits don't matter.

I tend to disagree with Mr. Cheney. Deficits do matter. They matter because when Mr. Clinton was President, we got out of the deficit hole. They said deficits don't matter when Republicans were in control. Now they say deficits do matter. They blame the Federal Government's fiscal mess on President Obama and actions taken by this Congress. That takes a wholesale rewriting and air brushing of recent history.

As we all know, it was the administrations of President Reagan and George Herbert Walker Bush in the 1980s that launched America into a new era of large budget deficits. President Clinton then spent the following 8 years cleaning up the fiscal mess he inherited.

In 1993, President Clinton, along with the Democrats, the Democratic Congress, passed a painful but a courageous deficit reduction plan without

one single Republican "yes" vote in the Senate. That plan not only produced record budget surpluses, it expanded our economy. People were employed. It put us on a path, by the year 2000, to completely eliminate the national debt within a decade. We could have wiped out the national debt.

I remember that debate. I was here. In 1993, I remember the Senator from Texas, Mr. Gramm, getting up, wailing about how this plan was going to destroy America. It was going to plunge us into fiscal crisis. It was going to create unemployment. It was going to create a disaster.

We passed it without one Republican vote. Look what happened: the economy grew, unemployment went down, we paid down the national debt, and we left in 2000 with a huge budget surplus.

Yet in 1994, the year after we passed this without one single Republican vote, Republicans were all over the country taking the Democrats to task for raising taxes. You know what happened in 1994. The Democrats lost the Senate and lost the House and Republicans took over. But we were able to keep that program intact. They couldn't repeal it and we kept it intact during the 1990s, resulting in a good strong economy, more employment, less unemployment and, as I said, putting us on a plan to pay off the national debt.

Then in 2001 George Bush came to office, Republicans gained control, and again we moved into deficits once more in our country—huge deficits. As my friend from Illinois said, according to CBO, when President Obama took office we had a \$1.3 trillion deficit. When President Bush took office in 2001 we had about a \$300 billion surplus. What a difference. What a difference.

Now, because of the profligate spending and the deficits of those 8 years of Bush, because of the huge hole we were in when President Obama took over, our economy is in a tailspin.

Now we are trying to work our way out of it. That is why we had the Recovery Act. The Recovery Act helped us gain more jobs in this country. As I said, it kept us from having a catastrophe. Now we know we can bring the deficit back under control. We did it during the Clinton administration, and we can do that again.

As my friend from Illinois said yesterday, President Obama nominated Jack Lew to serve as Director of the White House Office of Management and Budget. He held that same position in the Clinton administration, in the latter years of the Clinton administration. So again we are looking to Mr. Lew to help us work our way out of this mess we are in.

So I can say that we Democrats are proud of our record of fiscal responsibility. But forgive us for asking: Why is it that again and again we Democrats are cast in the role of the shovel brigade in the circus cleaning up after the elephants? Why are we always doing that? And then people get mad

because we have to clean up the mess. Well, I am tired of being the shovel brigade after those elephants. We all understand that deficits are unaffordable and unsustainable. However, among economists, a broad array of economists in this country; among many Senators—I am one of them—I believe there is a more immediate and urgent concern; that is, getting a recovery from the deepest economic downturn since the Great Depression. Do unemployment benefits cost money? Of course they do. Are they in our long-term interest? Absolutely.

The single most effective way to reduce the deficit is to keep the recovery on track. If we can do that, we can reduce the deficit, according to CBO, from 10 percent of GDP this year to 4 percent by 2014. I will be the first to say we cannot do it overnight. We did not do it overnight in the 1990s. It took us literally 8 years, but it built up slowly, and toward the end we were really rolling by the year 2000: low unemployment, the economy was booming, we had budget surpluses. But it took a long time to get there, and it is going to take us some time to get back there again. But extending unemployment benefits is an essential way to keep us on that path to recovery.

Economists calculate that for every dollar invested, the unemployment insurance safety net generates about \$1.63 in economic activity. Again, they tell us: If you are going to spend government money, if you are going to do that, you get the most bang for the buck by putting it in food stamps. Because when poor people get food stamps, they go out and they buy food. The next is unemployment benefits. When you give it to people who are unemployed, they go out and they spend that money. They buy food, they pay their rent, they pay their food bills, they pay their clothing bills, they pay for car payments, house payments, all of those things just to keep afloat. So that spurs economic activity. Yet look down here—extending the Bush tax cuts. For every dollar we extend the Bush tax cuts, we only get back 49 cents. Compare that to unemployment benefits. Yet the Republicans want us to do this, spend every dollar we have to extend the Bush tax cuts, for which we will get back about 49 cents. They do not want to do unemployment benefits that for every dollar we spend we get back \$1.63 in economic activity. They say unemployed households spend these dollars on immediate needs.

From the Recovery Act alone in Iowa, more than 3,700 jobs were created in 2009 thanks to the economic activity of the Recovery Act. Did that get us all of the way out of the recession? No. But it sure as heck helped a lot of families and kept us from sinking even further. So that is why we had the Recovery Act, which has at least helped us out of a depression.

David Walker is the former Comptroller General under the Bush administration, the George W. Bush administration. Now he is president of the

Peter G. Peterson Foundation, an organization that is single-mindedly focused on cutting long-term deficits. Last week, he testified before the bipartisan deficit reduction panel. He said it is a “myth that we cannot address our current economic crisis and our long-term fiscal crisis at the same time.” Yet that is what we are hearing from Republicans: We can’t do both of those; we have to focus on the deficit, and don’t worry about the crisis we have right now.

David Walker continued:

In our view, the answer is to continue to pursue selected short-term initiatives designed to stimulate the economy and address unemployment, but to couple these actions with specific meaningful actions designed to resolve our long-term structural deficits.

Well, I agree. We have to address the short term and then think about the things we have to do here to address the long-term problems of the deficit.

So, again, for the sake of all of the families who have written in to my office, for all of the families who are at the end of the line, I urge my colleagues on the other side of the aisle to stop this cruel obstructionism and do the right thing right now for people who desperately need our help. Stop the filibuster. Let us vote. There are more than 50 votes. There is a majority here to extend unemployment benefits. I ask the minority to allow us to vote on it, to help these families in desperate need all over the country.

It is my intention, as often as I can, to get to the floor to continue to speak about the desperate needs of those families we cannot continue to ignore.

To those who think they can gain politically at the polls in November, who think they can gain politically by having people suffer more, by having them more desperate and more destitute, I say that is an aberration, that is a total abdication of our responsibility as officers, as people who are sworn to uphold and defend the Constitution of the United States. It is unworthy. It is unworthy of a great country for their leaders, for their elected leaders, to show they can get political gain by making people more desperate than they are today.

So I hope we can have the vote, we can extend the unemployment benefits, and we can help people who really need a lifeline right now. Anything short of that is not worthy of our great country. I urge the minority to let the bill come up for a vote so we can vote it through. It should be done this week.

I yield the floor, and 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. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

Mr. DORGAN. Madam President, I ask unanimous consent to speak in

morning business for such time as I may consume.

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

#### CONGRESSIONAL TO-DO LIST

Mr. DORGAN. Madam President, the to-do list in the Congress, and especially in the Senate, is long and difficult. We have witnessed all of this year a determined minority to act as a set of human brake pads. The minority has tried to stop almost everything in the Senate, including providing extended unemployment benefits for those who are out of work during the country’s deepest recession since the Great Depression. It is unbelievable to me.

It seems to me everyone should understand that when we are in a deep recession, as we have been—and we are coming out of it—that is the time to extend unemployment benefits because it is necessary to do. Yet it, too, has gotten caught in this trap of saying no to everything.

I wish to go over just a bit of the to-do list in the Senate. First and foremost, there is no question that one of the most significant challenges facing this country is debt and deficits. Everybody understands that. The question is, How do we deal with it?

The President is criticized for describing what he took over, but it is pretty important. You go to a rental car dealership and they want you to look around and see what the car is like before you rent it, right? This President ran for President, but when he took over this economy, had he done nothing, not lifted a finger, the Federal budget deficit was going to be \$1.3 trillion. On the first month of his Presidency, the economy he was left with had 680,000 people losing their jobs in that month.

This economy was in steep decline. That is what he inherited. It is not my taking a half hour to describe what was wrong in the previous 8 years, it is stating the obvious. What do we try to do about that?

Well, the President has created this commission to try to address the deficits and debt that have come from this steep economic decline. When a country is experiencing a very deep recession, there is less revenue coming in. We were losing about \$400 billion in revenue that we used to get. And then we have higher expenditures going out because we have the economic stabilizers that we pay for in order to help people during times of economic distress. So we had these unbelievable Federal budget deficits. That is not surprising. That will happen when there is a very steep economic downturn.

But we can’t, it seems to me, go into this with a structural imbalance, as we had, and then have a deep recession and have deficits explode and then not have a plan to deal with them. So the question is for all of us—the President and the Congress—what do we do?

The President has created a high-level bipartisan commission to say: All right, come up with a set of recommendations by the end of this year of what we can do. What are the range of issues with everything on the table? Yes, discretionary spending, military spending, entitlements, all of it. What is the menu necessary to put this country back on track?

In 2001, President Bush proposed very large tax cuts. I voted no on the floor of the Senate, and I said the reason I am voting no is that I don’t think we should provide 10 years of very large tax cuts just because we had a surplus the last year of Bill Clinton’s Presidency. We had a budget surplus—the first budget surplus we had in 30 years. They estimated that not only would we have a budget surplus that year, but we would have surpluses for the next 10 years.

I said: Let’s be a little conservative. What if something happens? What if we don’t have the surpluses?

They said: Don’t worry about that; let’s give large tax cuts—and the bulk of it, by the way, went to the wealthiest Americans. Without my vote, that passed. It did a lot of strange things.

Among the tax cuts was a cut in the estate tax that took the estate tax over these 9 years down, down, down, and down so that this year we have a zero estate tax. Think of that. The estate tax in this country this year is zero. We have about 400 billionaires in America. I believe four of them have died in this year. This is the “Throw Mama From the Train” year, as the title of the movie goes. This is the year when, if you have a lot of money and you are going to go, this is the year, I suppose, and those who are related to you might think there is divine providence here.

Let me put up this chart. In today’s newspaper, it says George Steinbrenner, the colorful owner of the New York Yankees, died. I didn’t know George Steinbrenner, but he was quite an extraordinary man. I am sure—a successful businessman and a controversial owner of the New York Yankees. But he was also a billionaire. Today, the Washington Post talks about the fact that this year the estate tax is at zero, so his estate will have no tax obligation at all.

Let me just observe that for the largest estates, most of the wealth comes from the appreciation of assets over the years and has never been taxed. So it has never had to bear a tax to send kids to school or build roads or provide for police or provide for our defense needs—none of it. We have had four billionaires die this year. And we have this goofy process, which the previous administration created, to go to a zero estate tax this year and then spring back to an estate tax next year. It is just nutty.

Do you want to know how to reduce the Federal budget deficit? How about fixing a few of these things. That ought to be on the to-do list. It is embarrassing, it seems to me, for those who

understand fiscal policy and understand there is a responsibility for all Americans not just to be glad they are Americans, but also to participate in the things Americans have to participate in together, that that includes paying some taxes, yes, and some estate taxes. It is embarrassing that we have a zero estate tax for the wealthiest Americans at this point. That makes no sense to me.

We have a proposed extension of the tax cuts for middle-income workers that comes from the 2001 tax bill that President Bush pushed through this Congress. One of my colleagues was on a show this Sunday and said: Well, we want to also give a tax cut to the top 2 percent of the American income earners. The moderator of the show said: That is going to cost 680-some billion dollars in lost revenue. How do you pay for that?

My colleague, who talks about the Federal budget deficits a lot and the need to deal with them, said: We don't have to pay for tax cuts.

It seems to me basic arithmetic books allow us to add 1 and 1 and get 2—from time to time, at least. So we are going to deal with the Federal budget deficits by extending income tax cuts to the wealthiest Americans? We are going to deal with the Federal budget deficits by having a zero estate tax obligation for somebody who dies and has a billion or billions of dollars?

What about the notion of going to war twice, in Iraq and Afghanistan, and not paying a penny for it? We have all of these gatherings to say goodbye—particularly in the National Guard—to a National Guard unit that will be sent to Iraq or Afghanistan. We say Godspeed and be safe. When they come home, we say welcome home. We do everything except pay the bill. We send them to war, have them strap on ceramic body armor in the morning, walk in harm's way and get shot at. But this Congress doesn't have the courage to decide that we ought to pay for wars we are fighting. All of it has been piled on the debt.

Some of us stood in this well and said let's pay for it, and we were told if we do that and try to pay for it, the President will veto it because we are trying to raise revenue. That is right, raising revenue to pay for the cost of sending America's men and women in uniform to fight for this country. It used to be essential, not optional. It was the moral and responsible thing to do. All of this has been charged and added to the debt. So the soldiers go fight and come home, and they will pay the bill as well. That makes no sense to me.

I have described at great length the tax avoidance going on in this country. I described that some of the highest income earners get to pay 15 percent carried interest. They get to pay some of the lowest tax rates, and that is not enough. Some of them are running them through tax haven countries and are playing deferred compensation games in order to avoid paying any-

thing. They want all that America has to offer except responsibility to pay their taxes.

That is true with some very large American corporations as well. The company that was drilling out in the gulf—the licensed company drilling for BP—Transocean had, I believe, 1,200 employees in Houston, TX, and 12 employees in Switzerland. What was the deal there? Well, they moved their home office to Switzerland, despite the fact that they just had a dozen employees there and they had 1,200 in Houston. Why did they do that? To avoid paying taxes, I assume.

There is a to-do list. Maybe we can shut down some of these schemes. How about an estate tax for estates worth billions of dollars, or paying for the cost of war as our soldiers are asked to go fight it? Cutting spending—some come out here and talk about cutting spending. I support that—in the right way. We have a lot of areas where Federal agencies can tighten their belts. By the way, it is one thing to talk about it, it is another thing to do it.

Some years ago, when I came to the Congress, there was \$46 million allocated to build a new Federal courthouse in Fargo, ND. I said I thought that was outrageous. Yes, it is in my State, but I thought it was outrageous. I cut it to \$23 million—from \$46 million to \$23 million—in half—and the courthouse got built for \$19 billion. That was in my State. I was critical of spending in my own State.

I have come to the floor recently critical of what is being proposed to be spent on the small northern border ports of entry, which I think is an excessive amount of money. Yes, those are in my State as well. I think we all ought to take a hard look at Federal spending and look at where we can and should begin to make some cuts.

Finally, when we talk about deficits—we talk a lot about budget deficits. But nobody talks much about the trade deficit. This morning there was a story: Trade deficit jumps to \$42 billion, economists downgrade growth forecasts. I wrote a book about this several years ago. I described in that book, in great detail, what is happening: shipping jobs overseas, going in search of low-wage countries where they can move their production in order to produce and sell the product back in our country. All of that ratchets up this unbelievable deficit. We have had trade deficits in recent years, with \$700 billion and \$800 billion in merchandise trade deficits. The budget deficit is money that we are going to owe to ourselves. We cannot make that case with the trade deficit. We owe that to other countries, and we are going to repay that with a lower standard of living in our country someday.

This is not just about deficits, it is about jobs. When we run these kinds of deficits and see plants and factories closing in this country—5 million factory workers have lost their jobs because we see this unbelievable drain of

jobs leaving our country in search of lower wages elsewhere. We have to address this, and we have to address it in the right way. I will talk about that at some point, on another day. It is not rocket science to understand that debt is debt and deficits are deficits. We have to address these issues.

Now, one other point on this economy. I was on a program the other day on CNBC. They said: What about this notion that because of what you are doing on promoting additional regulations on Wall Street and other issues, you are antibusiness—you Democrats in Congress and the Democratic administration are antibusiness?

I have heard a couple of CEOs say that. I said: You know, it is byzantine to me. If you want to run a big company in this country and do business here and look at something that is antibusiness, look at Wall Street and see what they did. See the cesspool of greed they created with a bubble of speculation that was unprecedented in the history of this country—selling and buying things that had no value, wagering rather than investing, using exotic instruments such as credit default swaps and much more, and planting loans out there for homeowners who could not repay them—giving a \$780,000 home loan to somebody making \$18,000 a year, creating liars loans, saying: Come and get a loan from us, and you don't have to disclose your income. It is called a no-doc loan. Come and get a loan from us, and you don't have to disclose your income or pay any principal the first year—or come and get a loan from us, but don't tell us your income, don't pay any principal the first year, or any interest, and we will make the first 12 payments for you.

Then what would they do, Country-wide mortgage? They would take these loans, pay big bonuses to the people who put the loans out there—the brokers—and wrap them into securities and sell the securities up to hedge funds, investment banks, and they were all making massive profits. Then we had others who would look at these securities and make credit default swaps—wagers on whether these bonds would be good.

What was going on in this country is unbelievable. The whole thing was a house of cards, and it came collapsing down. Now we decide we are going to put regulations in place to say: You cannot do that anymore. You damn near ruined this country's economy, and we won't let you do it anymore.

One of the top manufacturing CEOs in this country said it is antibusiness—the administration is antibusiness. It is not antibusiness to put into place effective, tough regulations to say: Do business the right way. If you do what you have been doing, we are going to put handcuffs on you because it almost ruined this country's economy.

It is not antibusiness to insist that business be done in the right way, when in the basement of the SEC four companies came in to get the SEC, in

the last decade, to change the rules so they could go from 12 times leverage to 30 times leverage, and they did it with almost no notice from everybody, with all these handshakes that go on.

When that goes on and regulators say: You know what. Don't worry. It is going to be a new business-friendly place. We won't look. Do what you want. We don't care—when that all happened and it caused the near collapse of the American economy and our way of life, we have a right, it seems to me, without being called antibusiness, to say there needs to be effective regulators and regulations to make sure this doesn't happen again.

Fifteen years ago, I wrote the lead story for the Washington Monthly magazine, and the title was "Very Risky Business." That was the lead story in the Washington Monthly magazine that I wrote 16 years ago.

What was it about? It was about banks in America trading derivatives on their own proprietary accounts. I said then that we just as well put a blackjack table in their lobby. That is just gambling. We ought not allow it. We know who is going to pick up the bill—the American taxpayer.

It was 11 years ago on the floor of this Senate that I stood up and opposed repealing the laws from the Great Depression—Glass-Steagall and others—that were put in place to protect our country, that separated banking from securities and prohibited certain practices that led to the Great Depression. Then, all of a sudden, it is time to modernize; that is old-fashioned. The proposal to repeal those laws went through here like a hot knife through butter. Eight of us voted no—eight of us. I stood on the floor of the Senate and said: I think within a decade we are going to see massive taxpayer bailouts. I did not have a crystal ball; I just felt this was an unbelievable mistake.

The fact is, we have a right and a responsibility to put together effective regulatory mechanisms that will prevent this from happening again. I understand there are interests out there that will howl so loud, you will hear them coast to coast. It does not matter. This is about what is best for the American people, what is best for this country's economy to expand and create jobs once again.

The to-do list, as I indicated, is fairly lengthy. I have not touched a number of issues. The most important point, obviously, is to find a way to create new jobs.

As I indicated, it is like a bathtub where you have a faucet and a drain. The faucet is, we need to try to create conditions in which new jobs will be created. How do we do that? We give people confidence about the future. It is hard to have confidence when you take a look at the economic circumstances of this country right now. If people are confident, they do things that manifest that confidence and the economy expands. That is our responsibility to do.

Even as we try to provide more confidence, that means tackling tough issues that will give people a feeling that they can expect a better future, can make investments, can hire people. That is part of the faucet—to put new jobs into this economy. We also need to plug the drain. Every single day, we have jobs leaving for China and elsewhere in search of cheap labor. I have spoken about that many times as well. As I said, I have written a book about that.

We need to work on all of those issues, and jobs has to be issue No. 1. It is the most important issue. It makes everything else possible for the American people. Right now, as I speak, there are millions and millions of people who are out of work. Million Americans have lost their jobs just in the manufacturing area in the last 8 years. We are short somewhere perhaps in the neighborhood of 18 to 20 million jobs in this country. We have to get the engine moving again. We have to get opportunities to expand jobs all across this country. There is a lot to do to make that happen.

#### TRAVEL TO CUBA

Mr. DORGAN. Madam President, while I am on the floor, I wish to make a point about another piece of public policy I have worked on for some while.

The House of Representatives last week passed legislation through the Agriculture Committee that would lift the travel ban that is now imposed on American citizens to Cuba. I have been to Cuba and have met with the Cuban Government, dissidents, people who have been in prison. It is 90 miles off our shore.

There is an embargo on Cuba and a travel ban to Cuba. This chart shows the ten U.S. Presidents under which this embargo has existed. As one can see, a fair number of Presidents have come and gone while this embargo and travel ban to Cuba has been in place.

The problem with it that I see is this: This embargo is and has always been Fidel Castro's biggest excuse.

Your cities are falling down, your economy is in trouble, things are awful in Cuba.

His response: Yes. That is because this 500-pound gorilla has had its fist around our neck with an embargo for 50 years. You try to run this country.

It is his biggest excuse.

Cuba is a Communist country. I have no interest in doing anything that is helpful to the government at all. I do have an interest in trying to help the Cuban people.

Deciding to tell the American people: We will restrict your right to travel; we are going to infringe on your freedom; our government says you cannot travel, American citizen, to Cuba—I think that is unbelievable. By what right does our government say you cannot travel to Cuba?

Let me show where Americans can travel. It is perfectly appropriate, if

you can get a visa, to travel to Iran, according to the Office of Foreign Assets Control in the Treasury Department.

OFAC, by the way, in the basement, the deep bowels of the Treasury Department, are supposed to be tracking money to terrorists. But about a fourth of their resources are devoted to tracking American citizens who are suspected of vacationing in Cuba. Think of that. In a world beset by terrorist threats, we have folks who are trying to figure out: Are there American citizens who have gone to Cuba whom we can track down and against whom we can levy a \$10,000 fine?

You can go to Iran, OFAC says. That is not a problem. You are an American citizen and you want to go to Iran, that is OK.

If you are an American citizen and you would like to see Kim Jong Il while he is still in office, you can go to North Korea. That is not a big deal for OFAC. If you want to go to Communist North Korea, no problem at all.

You want to go to China, a Communist country? Not a problem. You want to go to Vietnam, a Communist country? That is no problem. I have been to both, by the way. Why have we said that about Vietnam and China? Because we have a very specific policy with respect to that issue. We have said we believe that engagement through trade and travel is the most effective way to move both China and Vietnam toward greater human rights. Let me say that again. Our official policy—Republicans and Democrats—has been that we believe the most effective way to move China and Vietnam—Communist countries—toward greater human rights is through trade and travel through engagement. Engagement. The only outlier to that is Cuba, which is 90 miles off our shore. And Fidel Castro pokes his finger in our eye every chance he gets.

We decided some while ago—many Presidents ago, actually—to put together an embargo, which has not worked at all, which includes restricting the American people's right to travel. Then in 2003, leading up to the elections in 2004, President Bush made this even tighter. He eliminated people-to-people visits in 2003; eliminated secondary school education travel; restricted family travel to once every 3 years; restricted amateur athletic travel. Essentially, he tied it very tight. The upshot of that was, I guess they all felt good that they were going to tighten restrictions around Cuba and tell those Cuban Americans who felt that is the right thing to do that this was something the administration was going to do to be helpful to them.

Here is what the Office of Foreign Assets Control says about travel to Cuba. I just described that North Korea is fine and travel to Iran is fine, China and Vietnam are fine. They say:

Unless otherwise authorized, any person subject to U.S. jurisdiction who engages in any travel-related transaction in Cuba violates the regulations.

Let me describe some of these notorious violators our government has tracked down and tried to levy a \$10,000 fine against. This is Joni Scott. I have met Joni Scott. She is holding a Bible in this picture. The reason Joni Scott is holding a Bible is this young woman went to Havana to pass out free Bibles. An American woman went to Havana to pass out free Bibles. What happened to her? Did the Cuban Government get ahold of her somehow and give her a bad time? No, no. The American Government did. The American Government tracked her down and tried to levy a fine because she was suspected of traveling to Cuba. Isn't that something? It is unbelievable.

Here is another woman I have met. This is Joan Slotte. She is a bicyclist. She is a grandma in her midseventies. She joined a Canadian group to bicycle in Cuba. Her government then tracked her down and not only tried to fine her \$10,000 but tried to attach her Social Security payments and take them away—this from her government. It is unbelievable.

Then, finally, SGT Carlos Lazo, whom I have described before. He fled Cuba and then went to Iraq and fought for America and was awarded a Bronze Star. He then came back to America after having fought for his country. He had two sons in Cuba, one of whom was sick, and his government—the American Government—told this Bronze Star medal winner, a very courageous soldier coming back from the war, that he was not able to visit his sons. They restricted his right to travel.

Here is the point. The point is, the U.S. House of Representatives, through the Agriculture Committee, has now passed legislation that eliminates the restrictions, eliminates the things done by the previous administration to try to stop shipment of food to Cuba. I believe we have the votes in the Senate to move that position as well.

I actually offered the amendment about 10 years ago in the Senate that is now law that opened for the first time the ability to ship food and medicine for cash to Cuba. I just felt it was immoral. I think it is immoral to use food and medicine as a weapon, and that is what we are doing, including food and medicine as part of the embargo. I offered the amendment. It is now law. We shipped a couple billion dollars' worth of food to Cuba, all paid for in cash. But the previous administration decided to change the rules and required payment before shipment as opposed to payment when the goods transferred. That was an effort to try to shut down agricultural sales to Cuba. The House has changed that. We would do that as well. It is important to take this action. I was pleased last week when I read what the House of Representatives did. I think it is the right thing to do.

Here are pictures of who else believes we ought to lift the travel ban. Marcelo Rodriguez does. He is a political prisoner in Cuba. Yoani Sanchez does. She is one of the leading political bloggers

in Cuba. Guillermo Farinas, who has staged several hunger strikes in Cuba, believes we should lift the travel ban. Oscar Chepe, a former political prisoner, and his wife Miriam Leiva, the founder of Ladies in White, believe we should lift the travel ban.

They are among 74 Cuban human rights activists who sent a letter to the House of Representatives saying they believe we ought to lift the travel ban.

I have visited with the folks in Cuba who are political dissents. They do not like their government. They are doing everything they can to get a new government, a better government. But they also believe this embargo and the travel ban does not serve their interest.

I believe that at some point, when it is appropriate, we will be able to do in the Senate what the House Agriculture Committee has done; that is, lift the travel ban and undo some of the detrimental things that were done as well in the tightening in 2003.

I and Senator ENZI, along with 38 other cosponsors—that is 40 Senators—have cosponsored legislation that would lift the travel ban to Cuba. I believe when we have the opportunity, Senator ENZI and I will offer that bill here on the floor, and I believe we will have the votes to pass it in the Senate.

Once again, it is unthinkable to me that we have decided we are going to try to punish the Cuban Government by restricting the rights of the American people. And we have done it for almost 50 years. By what authority, by what justification do we believe the Federal Government ought to tell the American people: You can travel wherever you want in this world. Go to Iran, go to North Korea, China, Vietnam. But you cannot go to Cuba. By what justification does the government have the right to restrict that right of the American people? The answer is, none, and it is long past the time we fix it. That is what I believe we will do in the Senate in the weeks ahead.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### FAA REAUTHORIZATION

Mr. DORGAN. Madam President, in 2 minutes or so, let me talk briefly about the FAA reauthorization bill, which we have passed out of the Commerce Committee and out of the full Senate—it passed 93 to 0 here in the Senate. Senator ROCKEFELLER and I, Senator KAY BAILEY HUTCHISON and others, are working very hard to try to negotiate an opportunity to get a report that we can bring back to both the House and the Senate to get this done.

The reason this is urgent and so important is the modernization of our air traffic control system is long overdue and there is so much that is needed in this FAA reauthorization bill. It deals with safety issues. As chairman of the Aviation Subcommittee, I held a number of hearings on the Colgan crash in New York—the tragic crash that took the life of so many. So I wanted to make a point, because I know people are wondering what is happening on that legislation.

We had a meeting yesterday for over an hour. We are going to have another meeting this week. We had a meeting the week prior to the break last week. We are working very hard to try to find a way to bridge the gap. I think we are very close to being able to get something we can bring back to both the House and Senate. My hope is that early in this work period we can get this done. I talked to Senator ROCKEFELLER late last night by phone after our meeting in the afternoon. So Senator KYL and many others have been involved—Senator WARNER.

This is a very big piece of legislation. Changing our air traffic control system, modernizing our system from a ground-based radar system to a GPS system is a big, challenging project, but we have to get at it. This bill has languished way too long. We have reauthorized it many, many, many times. Now it is time to get the legislation done and get it signed by the President.

We are working very hard, and I hope in the next week or two Senator ROCKEFELLER and I and Senator HUTCHISON and others can come to the floor and report success and bring a bill to the Senate to vote on.

#### KAGAN NOMINATION

Madam President, let me also finally say—I didn't mention it earlier—that the Kagan nomination is going to come to the floor during this work period, I am sure. I strongly support the Kagan nomination and intend to vote for her nomination. I think she is an awfully good nominee. I know many of my colleagues will be doing so as well. I fully expect her to pass the Senate quite easily. I would expect the nomination to be approved quite easily.

Madam President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CARPER. I ask unanimous consent that the order for the quorum call be rescinded.

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

#### IMPROPER PAYMENTS

Mr. CARPER. Mr. President, only this morning I was standing here and the Senator from New Mexico was presiding over the Senate. I got through half of my remarks and had to yield to

the Senator from Maryland. Now that no one is on the floor, I wish to take maybe 5 or 10 minutes and finish what I started this morning. I was talking earlier today about how to reduce the amount of overpayments—we call them improper payments—the Federal Government makes. Last year they added up to almost \$100 billion, not counting the Department of Defense, not counting part of Medicare, not counting part of the Department of Homeland Security—a lot of money.

I also added that Federal agencies are doing, for the most part, a better job of estimating and identifying costly mistakes of improper payments. I think the White House deserves credit. Not only this President but his predecessor George W. Bush deserve credit for, not only in the case of George W. Bush, saying: We ought to have improper payments in the law and we ought to make this a priority, but also for President Obama and his team who are beginning to scour Federal programs for improper payments and also taking strong steps to try to eliminate them in the future.

White House Budget Director Peter Orszag noted that agencies employed stricter standards for identifying improper payments, resulting in much of last fall's reported improper payments increase. I remember maybe 5 years ago, when Senator COBURN and I were working on this issue, we found there was maybe \$40 billion worth of improper payments being reported by Federal agencies. Last year it was about almost \$100 billion. So it sounds as if we are going in the wrong direction.

As it turns out, what has actually happened is more agencies are reporting it. Initially, not very many agencies were reporting it, but as we have fuller reporting by all the agencies, we find we have a better idea of how big the problem is. It is not so much that it is getting worse, it is just that we are having better reporting from the agencies.

Now that we are having that, the key is to make sure the agencies that are making improper payments make fewer of them, and then that we go out and recover the moneys that have been improperly paid.

The White House announced this winter—earlier this year—an executive order to not only improve the collection of improper payments data, but to also improve our ability to avoid making improper payments, and to increase what I think is important, the use of recovery auditing. I say the words “recovery auditing”—postaudit cost recovery. I think for most people, their eyes kind of blur over and they tune out. We are talking about \$100 billion here, money that is going out, most of it improperly, a lot of it overpayments. We are talking about a country where our deficit is over \$1 trillion. If we are going to have the ability to reduce our deficit, it is not going to come from any one silver bullet or any one par-

ticular approach. But this is an approach that can help.

I applaud the administration's concrete steps to improve transparency and make agencies and agency leadership more accountable.

Still, there is a lot more we can do, which is why our legislation currently on its way to the President's desk is so important in order to take the next steps, especially when it comes to actually going out and recovering the money we lose every year to avoidable errors and preventable fraud.

As I often say to my staff—they have heard me say this more times than they care to remember—if it is not perfect, make it better. Everything that I do, I know I can do better. That includes making sure we are making the appropriate payments to the right entity, for the right amount of money.

All of us in Congress share this responsibility to do that; that is, if it is not perfect, to make it better. We all share a responsibility to do that in curbing waste and fraud.

The legislation that I think the House is going to pass later today, and hopefully the President will sign later this month, is called the Improper Payments Elimination and Recovery Act. It is the result of a 6-year journey. During the last Congress, I introduced an earlier iteration of this bill with Senator CLAIRE McCASKILL of Missouri. Over the last several years, I have chaired hearings on the issue of improper payments, waste, and fraud. Since then, we have worked with the Office of Management and Budget, the Congressional Budget Office, many other inspectors general, and many other experts to refine and strengthen our legislation.

The most recent version of that legislation was introduced last summer—about a year ago—along with Senator LIEBERMAN, who chairs our full committee, Senator COLLINS, the ranking member of the Homeland Security and Governmental Affairs Committee, Senator MCCAIN, and Senator McCASKILL. It was approved by the Committee on Homeland Security and Governmental Affairs late last year and was approved by the full Senate in June of this year. A companion bill was also introduced in the House by Representative PATRICK MURPHY from Pennsylvania, our neighbor to the north.

This legislation, I believe, is a perfect example of bipartisan common sense and bicameral common sense. And actually when you consider Senator LIEBERMAN is an Independent, it is tripartisan—Democrat, Republican, and Independent.

I think the bill makes a number of key reforms. First of all, it improves transparency by lowering the threshold whereby agencies are supposed to report improper payments. This will better inform the public about where their taxpayer dollars are going, and it will help us in Congress find ways to fix the problems that lead to waste.

The second key reform in this legislation is it requires agencies to produce

audited corrective action plans with targets to reduce waste. It is all well and good that we report improper payments or wasteful payments. The key is to stop doing it, to not just report it but to go after it and stop repeating the same mistakes.

A third reform is that this legislation increases the recovery of overpayments by requiring all agencies that spend more than \$1 million a year to perform recovery audits on all their programs.

Finally, fourth and last, the legislation penalizes agencies that fail to comply with Federal financial management and accounting laws and would make sure that progress in eliminating improper payments is part of senior agency officials' performance evaluations. So you say to somebody who is like a leader or supervisor in these Federal agencies: Part of your evaluation is going to be whether you are doing a good job of stopping overpayments, going out and making sure you do not make more of them, and going out and collecting money that is being “mispaid” or overpaid.

I am particularly pleased with the provision in the bill requiring major agencies to make greater use of tools that many private sector business use to recover overpayments when they make them. When agencies have used these tools, they have had some success, some real success.

About 7 years ago, 2003, Congress mandated what was at the time described as a pilot Recovery Audit Contractor Program to examine Medicare fee-for-service payments. In other words, Congress said: OK, Medicare, when you are making these fee-for-service payments to doctors, hospitals, and nurses, we want you to do, in three States—California, Florida, and New York—we want you to look at those three States and see if we are overpaying money. If we are making mistakes in Medicare, go get it.

I think a year or so later, we added to the initial three States Massachusetts and South Carolina. During the first year of this demonstration program, about \$50 million was recovered and returned to the Medicare trust fund. In the second year, about a quarter of a billion dollars was recovered, returned to the Medicare trust fund. I think if you add the total for the 3-year pilot program, which ended up in five States, they recovered about \$1 billion. They recovered about \$1 billion. It is real money.

One of the reasons why the Medicare trust fund is running out of money is because of fraud. Some people may have seen—I think it was on “60 Minutes” a year or so ago. Mr. President, “60 Minutes” did a special where they focused on a bunch of doctors' offices in some town in south Florida. The doctors' offices had three things in common: One, they had no patients; two, they had no doctors; three, they had no nurses. All they were like a billing operation on Medicare, to defraud money from Medicare and take it from the Medicare trust fund.

Last year, we were looking at the Medicare trust fund running out of money in about 8 years. That is untenable. With the changes we have made in the health care reform legislation, I think we pretty much doubled that life to maybe closer to 15 or 20 years, but we still have a problem. With all the money that is defrauded from Medicare, we want to recover as much of it as we can and put it back into the program.

But in any event, the pilot program—which started in three States and expanded to five States—this year we are expanding it to all 50 States.

There is also a provision in the recently enacted health care law—it is called the Patient Protection and Affordable Care Act, it is the health care reform legislation adopted earlier this year—but there is a provision that says to the folks who run health care at the Department of Health and Human Services that they have to expand this program, this cost recovery program, to include Medicare Advantage, to include the Medicare prescription drug program, and also to include Medicaid. As money is recovered from fraud and overpayments and missed payments in Medicaid, that money will be split between the States and the Federal Government.

The sooner the full program is up and operating, the sooner we can recover even more money—I think probably billions of dollars—in additional overpayments.

There is an added benefit to an expansion of recovery auditing. The Recovery Audit Contracting pilot program has identified dozens of vulnerabilities in the Medicare payment system that can lead to additional waste and fraud.

According to the Centers for Medicare and Medicaid Services—that is the entity that oversees Medicare and Medicaid—the contractors hired to recoup overpayments identified ongoing vulnerabilities that could lead to future overpayments totaling about a third of a billion dollars more. So not only did the contractors recover about \$1 billion in overpayments in the 3-year pilot program, they also identified additional problems in the systems they looked at, which, if we will address them, will reduce and avoid errors in the future.

Tomorrow—what is today, Wednesday?—tomorrow, Thursday—I think tomorrow afternoon—the Subcommittee on Federal Financial Management, which I am privileged to chair, will hold a hearing, and that hearing will examine the history and the opportunities for the Medicare Recovery Audit Contracting.

In conclusion, the Improper Payments Elimination and Recovery Act, which again, hopefully, the House will pass today—the Senate has already passed it; and hopefully the President will put his “John Henry” on it later this month—that legislation will allow us to make even greater strides in

curbing waste and fraud in the work of Federal agencies during the years ahead. Given the size of the budget deficits we face, we need to do that.

Enactment of this legislation is not the last step, but it is an important step. I look forward to seeing this important legislation signed into law and to working with my colleagues and with the administration on its successful implementation.

A lot of times people say to us: Why don't you do something about waste, fraud, and abuse? They are convinced that a lot of their money ends up being misspent, improperly spent, overpaid in some case. The people, or entities, businesses, should not get any of this money. Somebody ought to do something about it. With the legislation that will be on its way to the President, hopefully tomorrow, we are going to do something about it. We already are doing some pretty good things about it. We are going to do more, and we need to build on that record.

Thank you very much, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

#### WALL STREET REFORM

Mr. TESTER. Mr. President, I rise today in strong support of the Wall Street reform conference report. The Senate will make history when we pass this legislation that finally holds Wall Street accountable and finally cleans up the schemes and abuses that nearly brought our entire economy to its knees. Most importantly, this bill ends once and for all taxpayer-funded bailouts of Wall Street banks and investment firms. It finally gets rid of any notion that any private company can somehow be “too big to fail.”

I never bought that argument. In fact, I was the only Democrat in the Senate to vote against both the bailout of Wall Street and the auto industry. I do not believe in bailouts. But I do believe in making sure folks are playing by the same rules.

Our economy went belly up a year and a half ago because there were no referees on the field. With this bill, that is about to change. Big banks will be required to pay for their own liquidation should they fail, and taxpayers will never again be a part of that equation.

The bill also streamlines the regulation of Wall Street, providing the referees the tools they need to get the job done fairly and effectively.

It also ensures that everyone will now be playing by the same rules, and that unregulated entities offering financial products have to live up to the same standards as the community banks and credit unions that serve States such as Montana.

The bill has tough new rules to prevent the spread of risky and dangerous products such as subprime mortgages that torpedoed our Nation's entire financial industry.

My focus over the last several months has been to make sure this bill is right for Montana and right for rural America. After some hard work, I think we did just that. This Wall Street reform bill is good for Montana's community banks, and it benefits small businesses.

Even in this era of bitter partisanship, the Senate unanimously passed an amendment I offered to make sure banks only pay their fair share for Federal deposit insurance. Right now, smaller community banks are paying for 30 percent of this insurance, even though they account for only 20 percent of all bank assets. That does not make sense, and this bill fixes that problem.

This conference report also includes a provision I drafted requiring the Consumer Financial Protection Bureau to consider the impact of all rules on community banks and credit unions and the rural customers they serve before any of those rules are made.

The legislation ensures that community banks will not be punished for the bad behavior of the mortgage brokers who offer risky mortgages. Those banks will be able to maintain the community-based regulators they currently have, and in the case of State chartered banks, the same lending limits they currently have.

Additionally, this bill ensures that community banks will be able to continue to provide the same mortgage products—including those specific to farmers and rural Americans—to their customers.

For small businesses, this legislation makes it easier for investors to help get new small businesses up and running while protecting investors from schemers. It exempts small public companies from costly additional compliance and regulation under Sarbanes-Oxley.

This bill is a win for Main Street. It holds Wall Street accountable and preserves the critical role community banks have in strengthening communities, creating jobs, and building small businesses. That is important because Montana families rely on their community banks to finance and grow their businesses and farms, help pay their bills, and put their kids through school.

This is a strong bill. It ends taxpayer-funded bailouts. It begins a new era of strong commonsense regulation to put the sideboards on our fast-moving financial industry, without taking away the fundamental tools it needs for healthy competition and growth, which strengthens this economy.

Let me be clear. Our work on this legislation does not end today. I will continue to remain vigilant to ensure this legislation is implemented and enforced in the way it was intended. We simply cannot afford to do nothing and let our financial industry go by the wayside ever again.

With that, I thank you, Mr. President.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

#### KAGAN NOMINATION

Mr. SESSIONS. Mr. President, the week before last, we had the hearing on Elena Kagan for her nomination to the U.S. Supreme Court, which is a tremendously serious and important position. Five members of the Supreme Court—not just nine but only five—can redefine the meaning of words in our Constitution and really alter, in many ways, the very structure of our government. We have seen activist judges that I think have tended in that direction, and it is dangerous and harmful because judges are given lifetime appointments. They are not accountable to the public. They are protected. Even their salaries are not reducible while they serve in office. So we have to know and believe they will be neutral, impartial, unbiased, and will render judgments based on the law and the facts and not on any preconceived commitments they may have had.

Ms. Kagan is now the Solicitor General of the United States. She has taken some sort of leave of absence in recent weeks since this nomination occurred, but she holds that title. The Department of Justice Solicitor General represents the U.S. Government in Federal court, usually before the Supreme Court, and in important cases before the courts of appeals and often is involved in setting legal policy for the United States and helping to advise on that. So it is important that the American people know, before she is confirmed—if she is confirmed—that she has not been involved in matters that would bias her and cause her not to be able to serve impartially under the law and under the Constitution of the United States. That is an important question.

The day before yesterday, I believe, the Wall Street Journal had an editorial entitled “Kagan and ObamaCare” in which it raised questions about the objectivity she might bring to the Court and whether she had been involved legally in the discussions or drafting the ideas concerning the development and promotion of the health care reform bill so massively affecting health care in America. It raised the question: Should she recuse herself if that comes up, if she has been involved in that? I think that is a very important question.

The seven Republican members of the Senate Judiciary Committee wrote yesterday and asked Ms. Kagan to give detailed explanations as to what extent she may have been involved in any dis-

cussions regarding the promotion or legality of the health care reform bill. I think we are entitled to that. It is an important matter.

I see my friend Dr. BARRASSO on the floor, who has been a great expert in our debates on health care reform. He has repeatedly explained how this legislation will impact health care throughout America. As a physician, he understands that, and he has been able to explain it to us in ways that any of us should be able to understand. In fact, he gave us some very serious warnings about the fact that the promises made for this legislation were not legitimate, weren't real, weren't accurate, and in study after study and report after report that has come out, Senator-Dr. BARRASSO has been proven correct. The warnings he gave us that it is not going to reduce costs and that other difficulties will arise have been proven true—too much, in fact—and it is a matter of real seriousness.

So I guess I wish to say that a judge should recuse himself or herself if their impartiality might reasonably be questioned on any matter that came before them.

I believe Dr. BARRASSO has raised previously his concern about what it really means if the U.S. Government tells an individual American citizen who is minding his own business that he has to have an insurance policy. I will recognize him at this point and ask him to at least share his thoughts on that important issue and why he believes having a fair judge on the Supreme Court is important.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. BARRASSO. Thank you very much, Mr. President.

I come to the floor today with my friend and colleague because I have just gotten back from a week of traveling all across the State of Wyoming, a beautiful State this time of year. People are out and at parades. I had a chance to visit at several senior centers. The question that continued to come up was, Can the government force me to buy health insurance?

A lot of people in Wyoming carry their copy of the Constitution with them. They carry it in their breast pocket. They carry it with them. It is in the pickup truck. It is with them all the time. They continue to look to the 10th amendment, which says:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

The people quote that. It just makes sense to the people of Wyoming that Washington should not be able to come into their communities, into our State, into their homes, and say: You must buy this product.

So when I see the number of States—20 now—that have filed suit against the Federal Government because of a new health care law, a law that I think is going to end up, if it is not repealed and replaced, being bad for patients,

bad for payers, the taxpayers in the country and the people who pay their own health care bills as well, and bad for providers—it is a bill that I think is bad medicine, to the point that Senator TOM COBURN and I, the other physician—there are only two physicians who practice medicine in the U.S. Senate, and I have been taking care of people and their families in the State of Wyoming since 1983—we have come up with a report called “Bad Medicine: A Checkup on the New Federal Health Care Law.”

There are people who say: I don't like this. Now we have a nominee to the Supreme Court who is very likely, if this works its way to the Supreme Court, to have an opportunity to make a ruling, a ruling for the people of the United States, on whether this body—this Senate, this House—has a right to tell the American people what product they must buy, whether it is health insurance, whether it is cars, whether it is the kind of cereal they eat for breakfast in the morning. The American people are very concerned.

So I come to the floor also with this editorial from Tuesday, July 13, this editorial entitled “Kagan and ObamaCare,” because the fundamental question is, Should this nominee recuse herself if she is, in fact, confirmed by this body? One might say: Well, when would someone recuse themselves from making a decision? Because, after all, she has been serving in this administration, serving this President, serving the President who has promoted such a piece of legislation that forces American citizens, forces the citizens of this country to buy a product.

The editorial says:

Recusal arises as a matter of judicial ethics if as a government official she expressed an opinion on the merits of the health-care litigation. This is what she would have to render a judgment on were she to be confirmed for the High Court.

It goes on:

It is also the question on which she is likely to have participated given her role at the Justice Department.

I would have to turn to my colleague who is the ranking member of the Judiciary Committee.

It says as well that:

The Solicitor General is the third ranking official at Justice, its senior expert on Constitutional issues, so it's hard to believe she wouldn't have been asked at least in passing about a Constitutional challenge brought by so many states. The debate about the suit was well underway in the papers and on TV. The matter surely must have come up at Attorney General Eric Holder's senior staff meetings, which the Solicitor General typically attends.

The editorial goes on to say:

We doubt Ms. Kagan would have stayed mum about the cases in internal Justice councils on grounds that Mr. Obama might later nominate her to the Court. At the time the Florida suit was filed on March 23, she was only one of several potential nominees whose names were being floated by the White House.

So here we have this, and that is when you get back to that opening

paragraph I read: "Recusal arises as a matter of judicial ethics."

So I say to my friend and colleague from Alabama, is this not a legitimate area of concern, especially in light of the fact that across this great country people are offended by this law? I just saw a poll that came out today. The popularity of this new law, which has never been very popular and which was forced down the throats of the American people, is now 7 percentage points less popular now than it was even 2 months ago. So something exceptionally unpopular is getting even more unpopular. By a ratio of 2 to 1, people think it is going to raise their costs and lessen their quality of care.

Mr. SESSIONS. Mr. President, let me ask the Senator, on that question, are the American people right or are the people who promoted this bill right? Are costs going up and is the quality of health care going down? What is the Senator's opinion?

Mr. BARRASSO. Mr. President, I spent Friday visiting with colleagues, friends, patients at the Wyoming Medical Center. Across the board, after talking to physicians, talking to patients, talking to others in the hospital as well as around the State of Wyoming, people believe it is going to be bad for patients, those waiting to get their care; bad for payers, the taxpayers of this country, the individuals who are paying for their insurance as well; and bad for providers, the nurses and the doctors whom I talked to. They have incredible concerns about what the impact is going to be on nurses and doctors when taking care of patients. The patients' concerns are, are they going to get the kind of care they want, the kind they are accustomed to, because no matter where I go in Wyoming, I hear people saying: This is a bill that wasn't passed to help me; it was passed and forced down our throats to help someone else, and they are going to make me buy a product that I might not want to buy, according to a number of criteria the government puts forward.

They may not want what the government says they have to buy, and then you get back to the Constitution. Does this government and does Congress have a right to tell the American people what they must purchase?

Mr. SESSIONS. This is a fundamental question. The Constitution gives the U.S. Government the right to regulate interstate commerce, that is true. The Supreme Court, at times, has taken a most minimal effect on interstate commerce and says the Federal Government can regulate it. But I am not aware of a circumstance in which an individual in Wyoming, or Alabama, minding their own business and not participating in an interstate commerce health insurance policy in any way, and the Federal Government waltzes in and says you must participate in this in interstate commerce—you are not participating in it and they require that you do participate in it.

If you believe—and there is only one view—that the Constitution is a government of limited power, it has only powers that are delegated to it—and they are enumerated powers—then have we crossed a divide here that we have not crossed before. That is why these lawsuits are being filed. They are very real. The one in Florida may be farther along than most of them; it is already out there. Ms. Kagan, at this very moment, sits as a Solicitor General of the United States—in title, if not fully acting—and was, I think, before this lawsuit was filed fully acting, and it impacts the Federal Government. The question we have asked that I think must be answered by her is exactly what kind of relationship and discussion she may have had concerning this legislation.

First, I ask Senator BARRASSO—and not being a lawyer can be a benefit in this body, but I assume from the tone of his comments that he is a little uneasy that this high official in the Obama administration—an administration that has committed the whole of its resources to the passing of this legislation—is now about to rise to the Court and would be asked to decide what could be a deciding issue of whether this health care bill stays law or is struck down. So without the niceties at this moment on recusal issues, does that make the Senator nervous?

Mr. BARRASSO. The whole health care law makes me nervous. I look at this and say that the underpinning of this law—the thing that holds it together—is the mandate on the American people that everyone buy insurance, that everyone has to have insurance at work or through Medicare or Medicaid, but if none of those work, you have to buy insurance. It is the government telling someone they have to buy it.

So I have great concerns when a government thinks it is so powerful, and this body thinks it is so powerful—more powerful than the American people. I reject that, and I want to make sure that, as it gets to the Supreme Court, there are people on the Court who side with the American people and, most importantly, with the Constitution—what to me the tenth amendment means—and the people of Wyoming, which is that the government cannot come into our homes and say you must do this—you must buy this product.

Mr. SESSIONS. Well, I think that is exactly correct. I will say that whether or not being a high official in this administration, which is so committed to passing this legislation, whether that in itself legally requires a person to recuse themselves on the Supreme Court from hearing such a case, I am not prepared to say at this moment, but it makes me uneasy.

I believe a judge who decides that question must be impartial and cannot be corrupted by friendship or empathy or bias in favor of the person who appointed them. That is important.

Secondly, I ask Senator BARRASSO, our question goes to a more specific situation that could mandate recusal, and that is whether the nominee has participated in any discussions, strategies, or making legal advice designed to promote this legislation. I think that would be a clear situation that would require recusal.

Also, specific questions could come up regarding to what extent have these lawsuits that have been filed affected her and has she expressed any opinions concerning the lawsuits.

Finally, I do not believe the President is entitled to launch onto the Supreme Court a political loyalist who will be a legal rubberstamp for anything that gets proposed, whether it is the takeover of AIG or of automobile companies or other things that may be decided. I think we need to be careful about this.

This nominee needs to answer those questions because what the Senator is hearing is what I hear.

Mr. BARRASSO. I ask my colleague this, as he participated in the hearings and the questioning. Apparently, Ms. Kagan says she will recuse herself from participating in a number of cases—I think 11—on which she represented the government in her current job as Solicitor General.

It seems that in a case such as this—the area that the President of the United States put all of his credibility and effort into forcing through this body and through the House and, in my opinion, jamming down the throats of the American people—if she is already going to recuse herself on 11 other issues, it seems to me that we should also get that sort of a commitment on this issue.

As the Senator has said—and he has practiced law—recusal arises as a matter of judicial ethics. Now we are talking about the ethics of the individual involved, and the decisions that person would then make based on the position to which they are nominated.

Mr. SESSIONS. I believe that is correct. The standard is, among other things, if your impartiality might reasonably be questioned—and many judges are very sensitive about this—if you own a bunch of stock and you have one share in a big company like GE, and a case involving GE comes before you, you are expected to recuse yourself, even though it is unlikely to have an impact on your finances. But it doesn't look good.

I think we are entitled to know how sensitive this nominee is going to be to the dangers of her impartiality being questioned, even if her actions are not such that clearly, as a matter of judicial ethics, mandates her recusal. I think we need to talk about that, and I feel like the American people that we meet with, who are concerned about governmental overreach, who wonder if we have lost all sense of the limited power of this government in Washington, I believe those people are entitled to have absolute confidence that

anybody confirmed to the Supreme Court will not sit on a case if they can't be impartial, or if their impartiality could even reasonably be questioned.

I thank the Senator for his leadership on the issue, and I am glad we had this colloquy. I hope we are going to get a complete answer from the nominee soon about any involvement she may have had explicitly, and then to perhaps also inquire further about to what extent she will be prepared to not participate if her impartiality can be questioned.

Mr. BARRASSO. If I can ask a final question. The final paragraph of this editorial that the Senator will introduce into the RECORD says:

As someone who hopes to influence the Court and the law for decades—

We are talking about an appointment that could last a lifetime, 30 or 40 years.

Ms. Kagan should not undermine public confidence in her fair-mindedness by sitting in judgment on such a controversial case that began when she was a senior government legal official.

It seems to me—and I ask the Senator at this time—where someone may be embarking on a long career on the Court, wanting to do the right thing and head in the right direction, that the best decision would be to recuse herself from this case as well, if she is confirmed, rather than get involved in it and potentially have an impact on her reputation for decades to come.

Mr. SESSIONS. I think that is correct. I appreciate the way the Wall Street Journal expressed that. I think that is a legitimate position. I hope the nominee will take very seriously those concerns and will respond promptly to the questions we have asked of her.

I ask unanimous consent that the Wall Street Journal editorial be printed in the RECORD.

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

[From the Wall Street Journal, July 13, 2010]

#### KAGAN AND OBAMACARE

Elena Kagan breezed through her recent confirmation hearings, but there's some crucial unfinished business the Senate should insist on before voting on her nomination to the Supreme Court. To wit, she ought to recuse herself from participating as a Justice in the looming legal challenges to ObamaCare.

In response to Senate queries, Ms. Kagan has said she'll recuse herself from participating in 11 cases on which she represented the government in her current job as Solicitor General. The challenge to ObamaCare isn't one of them, though the cases brought by Florida and 20 other states were filed in March, well before President Obama announced her nomination on May 10.

Ms. Kagan was never asked directly at her hearings about her role as SG regarding the healthcare lawsuits. The closest anyone came was this question from Oklahoma Republican Tom Coburn: "Was there at any time—and I'm not asking what you ex-

pressed or anything else—was there at any time you were asked in your present position to express an opinion on the merits of the health-care bill?"

Ms. Kagan: "There was not."

Regarding a potential recusal, that's not the right question. Ms. Kagan was unlikely to have been consulted on the merits of health-care policy, and even if she did express an opinion on policy this would not be grounds for recusal. The legal precedents on that are clear.

Recusal arises as a matter of judicial ethics if as a government official she expressed an opinion on the merits of the health-care litigation. This is what she would have to render a judgment on were she to be confirmed for the High Court. It is also the question on which she is likely to have participated given her role at the Justice Department.

The SG is the third ranking official at Justice, and its senior expert on Constitutional issues, so it's hard to believe she wouldn't have been asked at least in passing about a Constitutional challenge brought by so many states. The debate about the suit was well underway in the papers and on TV. The matter surely must have come up at Attorney General Eric Holder's senior staff meetings, which the SG typically attends.

We doubt Ms. Kagan would have stayed mum about the cases in internal Justice councils on grounds that Mr. Obama might later nominate her to the Court. At the time the Florida suit was filed on March 23, she was only one of several potential nominees whose names were being floated by the White House.

Under federal law (28 U.S.C., 455(b)(3)), judges who have served in government must recuse themselves when they have "participated as counsel, adviser or material witness concerning the proceeding or expressed an opinion concerning the merits of the particular case in controversy."

Though their public chance has passed, Senators can still submit written questions to Ms. Kagan for the record. We hope someone asks her directly whether the legal challenges to ObamaCare ever arose in her presence at Justice, whether she was ever asked her views, and what she said or wrote about the cases.

We also think there are grounds for recusal based on her response during her Senate hearings on the substance of the state legal challenge. The Florida case boils down to whether Congress can compel individuals to buy health insurance under the Commerce Clause. Ms. Kagan danced around the history of Commerce Clause jurisprudence, but in one response to Senator Coburn she did betray a bias for a very expansive reading of Congress's power.

The Commerce Clause has "been interpreted to apply to regulation of any instruments or instrumentalities or channels of commerce," she said, "but it's also been applied to anything that would substantially affect interstate commerce." Anything? This is the core question in the Florida case. If she already believes that the Commerce Clause justifies anything that substantially affects interstate commerce, then she has all but prejudged the individual mandate question.

A federal judge is required by law to recuse himself "in any proceeding in which his impartiality might reasonably be questioned." This has been interpreted to mean that the mere public expression of a legal opinion isn't disqualifying. But this is no routine case.

Ms. Kagan would sit as Mr. Obama's nominee on the nation's highest Court on a case

of momentous Constitutional importance. If there is any chance that the public will perceive her to have prejudged the case, or rubber-stamped the views of the President who appointed her, she will damage her own credibility as a Justice and that of the entire Court.

As someone who hopes to influence the Court and the law for decades, Ms. Kagan should not undermine public confidence in her fair-mindedness by sitting in judgment on such a controversial case that began when she was a senior government legal official.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

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

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

#### FINANCIAL REGULATORY REFORM

Mrs. MURRAY. Mr. President, I have been fighting hard for a Wall Street reform bill that protects my State's families, holds Wall Street accountable, and includes a guarantee that American taxpayers will never again have to pay to bail out Wall Street or to clean up after big banks' messes. I am proud to say that, finally, after months of hard work, we are so close now to passing legislation that does exactly that.

This should not be a partisan issue. It should not be about right versus left or Republican versus Democrat. It should be about doing what is right for our families and small business owners in my State of Washington and across the country. It should be about who it is we choose to stand up for and who we think needs our support right now.

Some people have spent the last few months standing up for Wall Street and big banks, trying to water down this reform, and fighting against any changes that would prevent the big banks from going back to their "bonus as usual" mentality.

I have been proud to stand with so many others to fight against the Wall Street lobbyists and special interest groups and stand up for the families I represent in Washington—families who want us to pass strong reform that cannot be ignored or sidestepped in the future, who want us to end bailouts and make sure Wall Street is held accountable for cleaning up their own messes, and who want us to put into place strong consumer protections to make sure big banks can never again take advantage of our families, our students, or our seniors.

For most Americans, this debate is not complex; it is pretty simple. It is not about derivatives or credit default swaps; it is about fundamental fairness. It is about making sure that we have good commonsense rules that work for our families and our small business owners. It is about the person

who walks into a bank to sign up for a mortgage, or applies for a credit card, or starts planning their retirement. We want to make sure the rules are now on their side and not with the big banks on Wall Street.

For far too long the financial rules of the road have not favored the American people. Instead, they have favored big banks, credit card companies, and Wall Street. For too long, those people have abused the rules.

As we now approach this vote, I think it is important for all of us to be clear about who it is we are fighting for. I am fighting for people such as Devin Glaser, a school aide in Seattle, who told me that he had worked and saved his money and bought a condo before the recession began. He told me he put 20 percent down on a traditional mortgage and was making his payments. However, like a lot of people who found themselves underemployed as a result of this recession, Devin has been unable to find work for more than 25 hours a week. He told me he is now unable to pay his mortgage. He will be foreclosed on any day now.

I am also fighting for people such as Rob Hays, a Washington State student whose parents have put their retirement on hold and gone back to work in order to send him to school. A few short years ago, Rob's parents were in the process of selling their home and preparing to retire. But then the foreclosure crisis took hold and they could no longer find a buyer. As a result, they were forced to pay two mortgages with the money they had saved for Rob's school, and retirement was put on hold.

I am fighting for people such as Jude LaRene, a small business owner in Washington State, who told me that when the financial crisis hit, his line of credit was pulled. That forced him to lay off employees, go deep into debt on his personal credit card, and cut back on inventory—despite the fact that his toy stores were more popular than ever.

I am fighting for people such as Devon and Rob and Jude because they are the ones being forced to pay the price now for Wall Street's greed and irresponsibility.

Whether it was gambling with borrowed money from our pension funds, making bets they could not cover, or peddling mortgages to people they knew could never pay, Wall Street made reckless choices that have devastated a lot of working families.

In my home State of Washington, Wall Street's mistakes cost us over 150,000 jobs. They cost average families thousands of dollars in lost income.

They cost small businesses the access to credit they need to expand and hire and, in many cases, caused them to close.

They cost workers their retirement accounts they were counting on to carry them through their golden years and students the college savings that would help launch their college careers.

They cost homeowners the value of their most important financial asset as neighborhoods have been decimated by foreclosures.

They cost our schoolteachers and our police officers and all of our communities. And they cost our workers, such as Devon, our students, such as Rob, and our small business owners, such as Jude.

We owe it to people like them all across the country to reform this system that puts Wall Street before Main Street. We owe it to them to put their families back in control of their own finances. We owe it to them to make sure the rules that protect families sitting around the dinner table at night, balancing their checkbooks and finding ways to save for the future, not those sitting around the board room table finding ways to increase profits at the expense of hard-working Americans. To do that, we have to pass this strong Wall Street reform legislation.

It is important for families to understand what this bill does and what exactly opponents of this legislation are fighting against.

This bill contains explicit language guaranteeing that taxpayers will never again be responsible for bailing out Wall Street. It creates a brandnew Consumer Financial Protection Bureau that will protect our consumers from big bank ripoffs, end unfair fees, curb out-of-control credit card and mortgage rates, and be a new cop on the beat to safeguard consumers and protect their families.

It puts in place new restrictions for small businesses from unfair transaction fees that are imposed by credit card companies. It enforces limitations on excessive compensation for Wall Street executives. And it offers new tools to promote financial literacy and make sure our families have the knowledge to protect themselves and take personal responsibility for their finances.

I have heard so many stories from people across Washington State who have scrimped and saved and made the best with what they had but were devastated, through no fault of their own—people who played by the rules but who are now paying the price for those on Wall Street who did not. These are the people for whom we have to stand up, the people whose Main Street values I and so many others fight for every day.

With all of the new protections and reforms this bill contains for families and small businesses, one has to ask: Who are the opponents fighting for and who are they standing up to protect?

I grew up working at my dad's five-and-dime store on Main Street in Bothell, WA—actually on Main Street. Like a lot of people in the country, Main Street is where I got my values. I was taught by my dad that the product of your work was not just about the dollars in the till at the end of the day. I learned that a good transaction was one that was good for your busi-

ness and good for your customer. I learned that strong customer service and lasting relationships often made your business much stronger; that personal responsibility meant owning up to your mistakes and making them right. I learned that one business relied on all the others on the same street.

I was taught that customers were not prey and businesses were not predators, and that an honest business was a successful one.

It is time for us to bring those Main Street values back to our financial system, to bring back an approach that puts Main Street and families over Wall Street and profits; that protects consumers, holds big banks accountable for their actions, and makes sure people such as Devon and Rob and Jude are never again forced to bear the burden for big banks' mistakes.

I urge my colleagues today to stand with us against the status quo and for this strong Wall Street reform bill that families and small businesses in Washington State and across the country desperately need.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BOND. Mr. President, I rise today to speak about the financial overregulation bill. The so-called financial reform bill before us is being sold to the American people as holding Wall Street accountable for the economic crisis that hurt every American family and business in every community across the Nation. We are told this bill will end "too big to fail" and prevent future bailouts.

Unfortunately, just as the stimulus bill was supposed to reduce unemployment and the health care bill was supposed to lower health costs and reduce the deficit, this bill, too, will do the opposite of what is advertised. It will not prevent future bailouts. It will create another huge Federal bureaucracy; and instead of punishing Wall Street, it will punish Main Street and the families who suffered—not caused—the financial meltdown.

This bill was meant to rein in Wall Street. Yet the biggest supporters are Goldman Sachs and Citigroup, and the biggest opponents are community banks and small businesses in every city and town and community in the Nation. I think that tells us all we need to know about this bill. I urge my colleagues to listen to the folks at home, the people who have to make a living who are going to be burdened by it.

I strongly oppose cloture on this bill. Yes, there have been improvements made, and I worked with my colleague, Senator DODD, to make sure we did not devastate the venture capital area. Unfortunately, that is coming in another bill. But despite some of the progress we have made, the provisions most harmful to taxpayers, families, and small businesses still remain.

As a matter of fact, new provisions have been airdropped into the conference report that are so problematic

that neither Chamber could agree to include them in either version. If we are truly committed to enacting real bipartisan reform, then the majority would never allow items that were never debated and voted on to be included in the bill.

I hope my Democratic colleagues will stand up for these principles about which they have talked so loudly and say no to this backroom practice of airdropping totally new concepts into the bill.

I wish to talk now about some of the most egregious provisions in the bill.

First, it is unbelievable and unacceptable that so many of my colleagues want to turn a blind eye to the government-sponsored enterprises, GSEs, that contributed to the financial meltdown by buying high-risk loans that banks made to people who could not afford them.

Everyone here knows what I am talking about. Despite this bill's 2,300 pages, it completely ignores the 900-pound gorilla in the room: the need to reform Fannie Mae and Freddie Mac, or the toxic twins as I not so fondly have to refer to them now.

The irresponsible actions by Fannie and Freddie turned the American dream into the American nightmare for too many families who have either had their homes foreclosed or who are hanging on by a thread.

The irresponsible actions, pushed by previous administrations on Fannie and Freddie, devastated neighborhoods and communities as property values diminished.

To add insult to injury, after Freddie and Fannie went belly up, it was the very Americans who suffered from their irresponsible actions who were left footing the bill.

As if that were not bad enough, unless we act now to reform the toxic twins, over the next 10 years Fannie and Freddie will cost the American taxpayers at least an additional \$389 billion.

In the joy of the Christmas holiday last December, the administration took off the \$400 billion limit on them. I have to ask: How much money do they think they can lose if \$400 billion is not enough for them to lose?

What is in this bill to address this problem? Absolutely nothing. Zip. Zero.

Next, this bill lumps in the good guys with the bad guys and treats them all the same, particularly when it comes to derivatives.

Folks who are trying to manage and control costs are treated the same as folks who are spending and speculating in the market, making shady bets with money they did not have, making insurance bets on property they did not own.

This was described in the book, "The Big Short," by Michael Lewis. These computer game derivatives, or insurance policies, were dreamed up by Wall Street geniuses, some who made billions, others who lost billions. The bil-

lions in losses almost destroyed our financial system and poisoned the world's financial system.

I have heard some folks say: Why do these bad practices mean something is going to happen to me? The way this bill is drafted, utility companies may not be able to lock in steady rates for their customers, leaving them instead at the whim of a volatile market. The utility companies will have to pay billions to Wall Street or Chicago to clear their normal long-term contracts and postcollateral with energy suppliers through clearinghouses run by big financial firms. That money will be immediately passed along to every consumer of power from that utility company. That is what utilities do—they pass it on to you and me as electricity or gas or other customers of theirs.

Mr. President, you and I and folks in every community across the country could pay higher costs every time we flip on the light switch or turn on the air conditioner or heat.

That means family farms may not be able to get long-term financing, forcing many to quit farming and prevent many from beginning to farm.

The Wall Street Journal today, in a front-page article headed "Finance Overhaul Casts Long Shadow on the Plains" tells how this bill will clobber folks in agricultural communities who have to have forward contracts. They never caused the problem, but it will tie up capital and make them pay tribute to big firms on Wall Street or Chicago. No wonder those big firms are for them. There is a lot of business for them, a lot of expense for the farmer, the commodity hauler trying to make a living.

I am stunned that any Senator in good conscience would vote for a bill that would increase costs for every American, especially at a time when working families are struggling to make ends meet. One thing is certain: This bill will enlarge government.

Today's Wall Street editorial opines that:

Dodd-Frank, with its 2,300 pages, will unleash the biggest wave of new federal financial rulemaking in three generations. Whatever else this will do, it will not make lending cheaper or credit more readily available.

They go on to state that one law firm has estimated that the new law "will require no fewer than 243 new formal rule-makings by 11 different agencies."

What will be the effect? More lawyers, more bureaucracy, more taxpayer money, and more lawsuits.

Certainly, I cannot vote in good conscience for a bill that creates a massive new superbureaucracy with unprecedented authority to impose government mandates and micromanage any entity that extends credit.

We are not talking about the big guys—the Goldman Sachs and the AIGs. In the real world, we are talking about the community banks, small retailers, and even your dentist.

I talked with a lot of small businesses and listened to them. A lot of

people were concerned this past week when I was home about what is going on in Washington. I was talking with a group in Maryville in northwest Missouri.

I said: The uncertainty is really a problem for small businesses.

One small businessman corrected me. He said: No, it's the certainty. We know what Washington has already done to the deficit, to the debt, to health care, what it is going to do to financial regulation, and what it is threatening to do to energy costs.

I asked everybody around the table: Should I have said "certainty" rather than "uncertainty"?

They said: You certainly should.

Small businesses are not willing or able or even inclined to create jobs when this massive government rollout of spending, taxation, and regulation is coming down on them.

Let's not be naive. Any of the new costs as a result of new mandates and regulations, regardless of the entity on which they are imposed, will be passed down to the very people this bill claims to protect. Under the new, misnamed Consumer Financial Protection Bureau, or CFPB, the decisions on allocating credit will no longer be based on the safety and soundness requirement for healthy banks. Instead, by empowering this new superbureaucracy with unprecedented power, decisions on credit will be driven by the administration's political will and agenda. Politics will then decide how to allocate credit while operating outside the framework of safety and soundness, thus putting more risk back into the system when we were supposed to be taking risk out of the system.

This giant bill also contains a provision creating a new Office of Financial Research. You will get to know this one. It is given the authority to access personal financial information of any citizen in the United States. Well, I don't know about you, but I would prefer not to have a new bureaucracy rifling through my personal account information in an era of economic and electronic communications where fraud and identity theft run rampant. Ordinary Americans who did not cause the financial meltdown should not be punished and placed at risk because the government wishes to create this new, unnecessary office.

I could continue to list provision after provision, pointing out expansions of government and ill-intended policies that will create more uncertainty while failing to hit the objective of regulatory reform. However, this Chamber doesn't have the hours for my speech alone. I could say: Harsh letter to follow. If anybody wants to know, we will be happy to send them lots of chapters and lots of verses. But, much like the health care bill recently signed into law, I fear small businesses will soon learn of many more unintended consequences which have yet to be seen. Even the bill's sponsors admit that the bill's long reach will not be

fully known until it is in place. Remember when the leader on the other side of this building said: If you want to find out what is in the bill, you will have to pass it. Well, in this bill, if you want to find out what it is going to do, unfortunately, you are going to find out if you pass it. I don't want to have my fingerprints on what is going to happen to businesses, to communities, and to jobs in the United States if it passes.

To sum it up, if the goal is to enact real reform that ensures we never, ever have another financial crisis like the one we had 18 months ago, the bill falls woefully short of that goal. It is light on reform, heavy on overreach and unintended consequences. Overall, this bill is too large, too costly for consumers, and would kill job creation at a time when working Americans need to be left to do what they do best, and that is succeed.

There is no doubt we need to protect every American from ever again falling victim to Wall Street gone wild. But what we do not want—and why this debate is so important—is to punish Americans for a crisis they didn't cause. Unless we scrap this failed version and start over, the Democrats' bill will do just that, and the costs will be paid by Main Street.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's Wall Street Journal to which I referred.

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

[From the Wall Street Journal]

THE UNCERTAINTY PRINCIPLE

So Republicans Scott Brown, Olympia Snowe and Susan Collins now say they'll provide the last crucial votes to get the Dodd-Frank financial reform through the Senate. Hmm. Could this be Minority Leader Mitch McConnell's secret plan to take back the Senate, guaranteeing another year or two of regulatory and lending uncertainty and thus slower economic growth?

Probably not, but that still may be the practical effect. This week White House aides leaked to the press that President Obama may seek a review of regulations that are restraining business confidence and bank lending. Yet Dodd-Frank, with its 2,300 pages, will unleash the biggest wave of new federal financial rule-making in three generations. Whatever else this will do, it will not make lending cheaper or credit more readily available.

In a recent note to clients, the law firm of Davis Polk & Wardwell needed more than 150 pages merely to summarize the bureaucratic ecosystem created by Dodd-Frank. As the nearby table shows, the lawyers estimate that the law will require no fewer than 243 new formal rule-makings by 11 different federal agencies.

The SEC alone, whose regulatory failures did so much to contribute to the panic, will write 95 new rules. The new Bureau of Consumer Financial Protection will write 24, and the new Financial Stability Oversight Council will issue 56. These won't be one-page orders. The new rules will run into the hundreds if not thousands of pages in the Federal Register, laying out in detail what your neighborhood banker, hedge fund manager or derivatives trader can and cannot do.

As the Davis Polk wonks put it, "U.S. financial regulators will enter an intense period of rule-making over the next 6 to 18 months, and market participants will need to make strategic decisions in an environment of regulatory uncertainty." The lawyers needed 26 pages of flow charts merely to illustrate the timeline for implementing the new rules, the last of which will be phased in after a mere 12 years.

Because Congress abdicated its responsibility to set clear rules of the road, the lobbying will only grow more intense after the President signs Dodd-Frank. According to the attorneys, "The legislation is complicated and contains substantial ambiguities, many of which will not be resolved until regulations are adopted, and even then, many questions are likely to persist that will require consultation with the staffs of the various agencies involved."

In other words, the biggest financial players aren't being punished or reined in. The only certain result is that they are being summoned to a closer relationship with Washington in which the best lobbyists win, and smaller, younger firms almost always lose. New layers of regulation will deter lending at least in the near term, and they are sure to raise the cost of credit. Non-blue chip businesses will suffer the most as the financial industry tries to influence the writing of the rules while also figuring out how to make a buck in the new system.

The timing of Dodd-Frank could hardly be worse for the fragile recovery. A new survey by the Vistage consulting group of small and midsize company CEOs finds that "uncertainty" about the economy is by far the most significant business issue they face. Of the more than 1,600 CEOs surveyed, 87% said the federal government doesn't understand the challenges confronting American companies.

Believe it or not, Mr. Frank has already promised a follow-up bill to fix the mistakes Congress is making in this one. In a recent all-night rewrite session, he and Mr. Dodd made a particular mess of the derivatives provisions. They now say they didn't really mean to force billions of dollars in new collateral payments from industrial companies on existing contracts that present no systemic risk. But that's precisely what the regulators could demand under the current language, and the courts will ultimately decide when everyone sues after the new rules are issued.

Taxpayers might naturally ask why legislators don't simply draft a better bill now. But for Democrats the current and only priority is to pass something they can claim whacks the banks and which they can hail as another "achievement" to sell before the elections.

More remarkable is that a handful of Republicans are enabling this regulatory mess. Mr. Brown and Ms. Collins say they now favor Dodd-Frank because Congressional negotiators agreed to drop the bank tax. But lawmakers didn't drop the bank tax. They only altered the timing and manner of its collection. Instead of immediately assessing a tax on large financial companies to pay for future bailouts, the final version simply authorizes the bailouts to occur first. The money to pay for them will then be collected via a tax on the remaining firms.

Because this tax will be collected by the Federal Deposit Insurance Corporation, even opponents of the bill have viewed it as part of an insurance system. It isn't. Insurance is when you pay a premium and the insurance company agrees to replace your house if it burns down. A tax is when you pay the government and then the government decides which houses it wants to replace when there is a fire in the neighborhood.

Under Dodd-Frank, if Firm A pays to cover the cost of the last bailout, there's no guarantee that the FDIC will rescue its creditors if Firm A fails in the future. This is fundamentally different from traditional deposit insurance, which guarantees the same deal for every bank customer. Dodd-Frank allows the FDIC to discriminate among creditors at its discretion.

This transfer of wealth is a tax by any reasonable definition, borne by the customers, shareholders and employees of the companies ordered to pay it. Is this how Mr. Brown plans to reward the tea partiers who carried him to victory last winter in Massachusetts? Is this the key to a small business rebound in Maine?

A good definition of a bad law is one that its authors are rewriting even before they pass it. The only jobs Dodd-Frank will create are in Washington—and in law firms like Davis Polk.

Triumph of the Regulators—Estimate of new rule-makings under the Dodd-Frank financial reform by federal agency

Bureau of Consumer Financial Protection .....	24
CFTC .....	61
Financial Stability Oversight Council .....	56
FDIC .....	31
Federal Reserve .....	54
FTC .....	2
OCC .....	17
Office of Financial Research .....	4
SEC .....	95
Treasury .....	9
<b>Total*</b> .....	<b>243</b>

\*The total eliminates double counting for joint rule-makings and this estimate only includes explicit rule-makings in the bill, and thus likely represents a significant underestimate.  
Source: Davis Polk & Wardwell

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

The PRESIDING OFFICER (Mr. MERKLEY). The Senator from New Mexico.

Mr. UDALL of New Mexico. Mr. President, I ask unanimous consent to speak as in morning business.

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

The Senator from New Mexico is recognized.

Mr. UDALL of New Mexico. I thank the Chair.

(The remarks of Mr. UDALL of New Mexico pertaining to the submission of S. Res. 581 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. UDALL of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

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

Mrs. LINCOLN. Mr. President, I rise to voice my support for the Dodd-Frank Wall Street Reform Act. As the

chairman of the Senate Agriculture Committee, I was fortunate to play a role in writing some of the most important reforms of this legislation, and that was the derivatives title. This historic legislation the Senate stands poised to approve will rein in the reckless Wall Street behavior that nearly destroyed our economy, hurting Arkansas small businesses and costing millions of Americans their jobs.

In 2008, our Nation's economy was on the brink of collapse. America was being held captive by a financial system that was so interconnected, so large, and so irresponsible that our economy and our way of life were about to be destroyed. I will never forget the sobering meetings at the Capitol with then-Treasury Secretary Hank Paulson and Federal Reserve Chairman Ben Bernanke, who informed us of the imminent collapse of the U.S. economy. Overnight, the United States of America—the most powerful economic power on the globe—had been brought to the brink of collapse.

Today, American families and small businesses are still managing the consequences of the reckless behavior that occurred on Wall Street and nearly led to our economic collapse. Congress has the duty to the people we represent and to future generations of Americans to ensure that this country's economic security is never again put in that kind of jeopardy. Failure to correct the mistakes of the past is simply unacceptable. That is why I am proud to say that today we stand poised to deliver the historic reform the American people deserve.

This legislation provides 100 percent transparency and accountability to our shattered financial markets and regulatory system. As chairman of the Senate Agriculture Committee, I was proud to help craft the bill's strong derivatives title. This legislation brings a \$600 trillion unregulated derivatives market into the light of day, ending the days of Wall Street's backroom deals and putting this money back on Main Street where it belongs. In all of our communities across this Nation, these reforms will get banks back to the business of banking, protecting innocent depositors and ensuring taxpayers will never again have to foot the bill for risky Wall Street gambling.

After spending countless hours on this legislation and digging into the details of the derivatives world, I am here to reassure my colleagues and all Americans that this bill is strong, it is thoughtful, and it is groundbreaking reform that will fundamentally change our financial system for the better. We worked hard to ensure that it would.

It is important to reiterate that this reform is not regulation for regulation sake. It is surgical in its approach. We maintain an end-user exemption, promote restraints on the regulators, where necessary, and provisions that recognize we are competing in a global financial marketplace.

Over the next year, Congress will rely heavily on the regulators for their

guidance and expertise as the rules and regulations are written for this legislation. As chairman of the Senate Agriculture Committee—one of the key committees of oversight—I pledge to be vigilant in this process and retain a watchful eye on those regulators. It is imperative that our vision of strong reform is implemented properly; that everyone should be doing their job—in the legislation we write, the regulations that need to be written to match that, and the oversight to ensure that balance continues. While the regulators must hold the financial system accountable for its actions, Congress must hold the regulators accountable, just as the voters hold us responsible for a lack of meaningful reform.

As the Senator from a rural State, I will also ensure that our community banks are able to continue to meet the lending needs of rural America and will not be subject to unintended consequences. Our community banks did not create this problem and should not have to shoulder the burden of paying for the solution.

America's consumers and businesses deserve strong reform that will ensure that the U.S. financial oversight system promotes and fosters the most honest, open, and reliable financial markets in the world. Our financial markets have long been the envy of the world. The time has come for our country to restore confidence to our shattered financial system. The time has come for us, the United States, to lead by example. We stand poised to deliver that reform today, and I look forward to final passage of this bill.

Finally, a bill of this complexity and importance requires perseverance and long hours, and the dedicated staff of the Senate deserves congratulations. I thank my colleagues, of course, Senator DODD and his staff, for their tremendous work. In particular, I would like to thank Ed Silverman, the Banking Committee staff director for his dedication to finishing this legislation. I would like to also thank Senator CHAMBLISS, my ranking member on the Senate Agriculture Committee, and his staff for their friendship and eyes and ears throughout this process; Senator REID and his staff, of course, for their leadership; and the administration and regulators for their extraordinary commitment to this reform bill; and certainly our House colleagues, Chairmen FRANK and PETERSON—particularly Chairman PETERSON of the House Agriculture Committee in particular, and their staffs, for their cooperation and leadership.

I also would like to thank my staff for their unbelievable hard work throughout this process. There were a lot of long nights, a lot of complicated issues, and a lot of dedication on their part to ensuring that what we produced was something that was good and solid for the future of this country, particularly Patrick McCarty, Cory Claussen, Brian Baenig, Julie Anna Potts, Matt Dunn, George Wilder, Courtney Rowe,

and Robert Holifield on our Agriculture Committee staff, as well as Anna Taylor on my personal staff.

We have an enormous opportunity to do something that is going to move us forward, understanding that we never get things perfect but, more importantly, that we are willing to step to the plate and to do what we can to make our country strong again, to make our economy strong again, to bring confidence to consumers and investors in this Nation and globally in order to move ourselves forward—not just for ourselves but for future generations. I urge my colleagues to support this conference report, and I look forward to this legislation being signed into law.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CORKER. I wish to speak for a moment about the Dodd-Frank bill that we are going to vote on apparently tomorrow evening. I wanted to talk a little bit about politics, which is not my specialty, and then a little bit about the substance.

I know the Presiding Officer has been highly involved in this bill and made a positive contribution. I read recently comments made by our leader, the majority leader here, and the President, and actually the chairman of the Banking Committee regarding the fact that the reason the bill is the way it is is partisan politics, and basically insinuating that Republicans did not want to deal with a financial regulatory bill.

Nothing has disappointed me more than the fact that we have a bill that has basically ended up wrapping folks around the axle as they tried to get two or three votes on our side of the aisle to pass this bill. We had a tremendous opportunity to pass a bipartisan bill. We had a tremendous opportunity to pass a bill that would have shown the American people that we in this body have the ability to work together on big issues and solve problems. I think it is a shame we did not do that. I have to say, from my perspective—and I think I put as much time into this bill as anybody here in the Senate—it ended up being about partisan issues. There was an overreach on issues that had almost nothing to do—as a matter of fact, absolutely nothing to do—with this crisis, to advance some political agenda issues, and then, on the other hand, a total denial to deal with some of the core issues that

got us in this situation. So I am disappointed.

We talk a lot. We have had groups come in, and they talk us to about how they want to see bipartisanship. Then some of us on both sides of the aisle step out from time to time to do that. When it happens, and a lot of effort is expended, and the end product is not achieved, for a lot of forces that exist around here, the very people that you end up reaching out to criticize the fact that we ended up with a partisan bill.

Yet, at the end of the day, let's face it, one side has the majority, one side has the minority. In this particular bill, I do not think there was, at the end, a valid attempt to do that. So I am disappointed. We have issues in this country as they relate to our financial system that do need to be addressed. No doubt, any bill of this magnitude, 2,300 pages, has some good things in it. There are good provisions in this 2,300-page bill. In many ways we punted most of the work to regulators. They are going to spend the next 10 to 18 months making rules that leave a lot of instability in our financial system at a time when I think people want to have a degree of certainty.

I think the Presiding Officer today tried to actually focus on greater certainty in some areas, and I might have disagreed with some of those. But the fact is, I think part of our job here in legislating is to create a degree of clarity.

One of the shortcomings of this bill is that—I think the count keeps going. I have heard a count of 363 rulemakings. I have heard a group come out and say there are 500 rulemakings. In essence, what we did with this bill in many ways is say to the very regulators who had the power, candidly, to do most of what is in this bill anyway, they had that power within their purview, did not do it, and kind of what we said is: Look, we would like for you to make rules.

So K Street and government relations folks are going to make a lot of money over the next 12 to 18 months as they now lobby regulators to sort of figure out what the rules of the road are going to be. In the process, again, jobs in the country will be more stagnant.

The other piece of this is that this all started with this sort of political agenda: We are going to bash Wall Street. Now Republicans have come out and said, no, this is a Wall Street bailout. So we had Democrats going to bash Wall Street, and Republicans saying, this is a Wall Street bailout. Candidly, I do not know that it is either one. The fact is, I think most folks on Wall Street like this bill.

As a matter of fact, I am looking at hedge fund managers right now, reading the Financial Times, many of the folks who probably are involved in the riskiest businesses are now out forming new hedge funds. Now they are moving to a more unregulated area than they

were already in. So it is pretty fascinating how we create bills and we do not address the core issues, and then we have lots of unintended consequences along the way, as we are seeing play out right now.

I am not supporting this bill, which I had hoped to cosponsor. I am not supporting this bill out of partisanship; I am not supporting this bill because it misses the mark. This is not the worst bill that has ever been created. I am not going to say that. It is not. We just did not do our work. I mean, basically what we have done is, as I mentioned, we left it to regulators. We did not deal with some core issues.

I offered an amendment to deal with underwriting. At the end of the day, regardless of everything that people talk about at hieroglyphic levels, we had a lot of loans in this country that were written to people who could not pay them back. We did not have underwriting standards. We still do not have underwriting standards.

At the end of the day, we had two entities. I am not one of those who said, these entities were the core reason for the problem. But the fact is, we had two enablers, Fannie and Freddie, that, let's face it, what they do is they allow people to write bad mortgages, pool them together, and then they insure or purchase those. They were enablers. We have not dealt with that.

I do not support this legislation, not because it is the worst bill in the world. It is not. As a matter of fact, we do not even know what the outcome of this legislation is. It is interesting, I read the papers and they talk about the fact that this is a historical piece of legislation. We have no idea whether this bill is historical. We will not know for a long time until the regulators decide what they are going to do with this bill, because basically the power is left to a huge number of bureaucrats which, by the way, we have created, which is going to be like a malaise over our financial community because we did not give a lot of clear direction. We left it to regulators. We created a bureaucracy.

One other note. I think the issue that in many ways divided us—I know people on the other side of the aisle knew this well, refused to address it, although at one point we got very close and almost had a deal—was this issue of the Consumer Protection Agency.

I am all for consumer protection. I think the concern that I had as an individual is we have created a new entity. It has no board. It is an amazing thing. It has no board. Because of the standards against which the way this organization is judged as it relates to its rule-making, which is expansive across the entire financial industry, because of the standard against which you have to challenge, there is no veto ability.

This new organization has a budget anywhere from, I think, \$600 million to \$1 billion a year, and the only way the Presiding Officer or I will know what direction this organization is going to

take is who leads it. This is an incredible place for us to be, for us as a Congress to be. I think it is an incredible place for the administration to be, where we are creating an entity, a consumer financial protection organization, that has incredible rule-writing abilities, that has no board, no real veto ability, and yet on its own, one person—I am not talking about a group of people, but one person is going to decide the nature of what this organization is going to engage in. I find that incredible.

For all I know, the fears that I have about it, the fears I have about this organization, may not be borne out—may not be borne out.

I think the Presiding Officer very well may support this concept. He will never know whether his hopes for this organization are borne out until we know who the person is and what their bent and flavor is.

I think that, again, as a body we had a responsibility to put a balance in place so that we knew what the direction of this organization was going to be over time. I find that to be incredibly irresponsible.

As we look at this bill, I think one of the gauges of what it does is, we have the folks on Wall Street who rhetorically my friends on the other side of the aisle wanted to bash, and, candidly, all of America in many ways is upset with Wall Street is loving this bill. They have got teams of compliance officers who have the ability to deal with regulations a consumer protection agency might put out, all these rulemakings. As a matter of fact, typically when we regulate like this, it is the big guys who benefit, and they get bigger.

But the community banks, the smaller banks in my State, and I think across this country, are the ones that are concerned. I know we are all concerned about the employment activity in our country. All of us want to see the economy improve.

At the end of the day, most Americans have to deal with these smaller institutions. Most Americans want to deal with these smaller institutions. They are people they go to church with, they go to Rotary Club, they see at the grocery store. These are the people they have relationships with. What we are doing in this legislation is we are increasing the cost of capital that is available to most Americans, and we are limiting the amount of that increased cost—that capital is going to cost more—we are decreasing the availability.

So we are decreasing the availability of capital in communities across our country, and we are increasing the cost of that. So I find that it is an amazing place where we are. We all care about employment, and yet we put in place policies that are counter to that employment. So, again, I am disappointed in the outcome of this bill.

I have appreciated working with many Members on both sides of the

aisle to come up with a balanced piece of legislation that will stand the test of time, a piece of legislation, by the way, that will actually deal with the core issues that created this financial crisis. This bill does not do that in every area. It does in some. I want to say that some of the derivatives—clearing houses, I think that is a good contribution. Again, I think we have got end users out across our country now who are panic stricken, farmers and others, who use derivatives in their daily lives. And now maybe—we do not know because regulators will decide down the road. We punted that. We said, we will let the regulators decide. So for a period of time, they are going to be concerned about whether they are able to put up their tractors and barns and other things as collateral against derivatives or be in a more risky position.

We have missed the mark. I realize that, ironically, after a year of work, 2,300 pages, hundreds and hundreds of rules that are getting ready to be generated by regulators. It is my understanding there is now already another bill coming to correct this bill. That is pretty amazing to me.

I wish to say that politics ends up overcoming substance, I have seen as bills come to the floor. We had an opportunity which we missed to try to get this bill right in a bipartisan way. In spite of the fact that I am disappointed I cannot support this legislation strictly on policy grounds, I do want to say that our staff and our office is going to continue to be engaged with others. I know there is going to be a lot of other activity as a result of this bill, some of the unintended consequences, some of the mistakes that have been made and some of the glaring omissions we did not deal with, things such as—it is hard for me to believe that we would not take the time to upgrade our Bankruptcy Code so that a large entity that fails goes through some of the same things the same entity in Minnesota might go through. It is amazing to me that we did not do that work. But we still have an opportunity.

I know the Presiding Officers have now changed. I know the Presiding Officer sitting here today is on the Judiciary Committee. I also know that over the course of the next year or two we will have the opportunity to work on that and try to develop something so that when a large, highly complex financial entity fails, there is actually a sort of standard they go through when they fail that people understand, and they understand the bankruptcy stats, they understand what their rights are going to be.

There is a lot of work left to be done. I am disappointed in where we are and what we are going to be voting on tomorrow night.

I cannot support it, but I do look forward to working with my colleagues on changes that will have to be made, on the unintended consequences this bill

will create and, obviously, the many technical changes that will result because of the fact that we rushed our work.

This process began mostly about substance. A lot of people put a lot of time into trying to understand substance. I know the Presiding Officer focused on one particular issue and tried to offer some substance in that regard. At the end of the day, politics took over.

November is approaching. It would be nice in the eyes of some people to have a 60-, 61-vote bill. Some are said to like obstruction. I can tell my colleagues, nothing could be further from the truth, especially on this piece of legislation.

What I regret most is, I know this bill is going to have the unintended consequence of hurting Tennesseans, hurting people from Oregon and Minnesota and around the country. There is no question that with all that we have laid out in these 2,300 pages, there will be less credit available and the credit that is available will cost more money. What we really have done with this bill is hurt the average American.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. MERKLEY. I ask unanimous consent to speak as in morning business.

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

Mr. MERKLEY. Mr. President, I rise to address the Dodd-Frank financial reform bill and to share the reasons it makes a great deal of sense to restore the lane markers and traffic signals to our financial system—lane markers and traffic signals that were ripped away carelessly, thoughtlessly over the course of a decade and led to the economic house of cards that melted down last year, doing enormous damage to America's working families. There may be many in the financial world who feel pretty good about the most recent billion-dollar quarterly profits or million-dollar bonuses, but families in America's working world are not feeling so good. They are looking at their retirement savings being decimated. They look at the value of their house and realize it is worth less than it was 6 years ago. For many families, the amount they owe on the house is more than it is now worth. Families are looking at lost jobs and lost health care that went with those jobs. They are looking at an economy that struggling to recover, that is providing them few opportunities to get back on their feet.

The meltdown triggered by the economic house of cards built up over the last decade is enormous. It is not only the damage done to families, it is the

damage done to the economy as a whole. We cannot talk to any room with owners of small businesses and not hear stories about frozen lending, about credit lines cut in half, about opportunities to expand a business, but, despite a regular banking relationship extended over a decade, that bank cannot now extend the loans that would enable them to seize that opportunity to create jobs. We still have massive disruption in our securities market that provides the credit that fuels not only home mortgages but many other parts of the economy.

This economic meltdown has been a huge factor in contributing to the national debt. In every possible way, the absence of responsible lane markers and traffic signals has wreaked havoc on the American family and the American economy. We are here now to set that straight, to restore those lane markers and traffic signals.

What really happened? It can be summed up in two words: irresponsible deregulation. Let's get into the details a bit further. Let's start with irresponsible deregulation that led to new predatory mortgage practices. One of those practices was liar loans, loans in which the loan officer was making up the numbers and putting them in because they knew they could turn around and sell that loan to Wall Street and have no responsibility for whether that family succeeded in making the payments.

Another predatory practice was steering payments—mortgage originators getting paid huge bonuses to sign people up for mortgages that had in the fine print hidden exploding interest rates, so the family could easily make the payments at 5 percent, but when that hidden language triggered 9 percent, there was no way the family was going to be able to make those loan payments. Since most of those were on a 2-year delay, we can think of it as a 2-year fuse, a ticking timebomb, a ticking mortgage timebomb that was going to go off and destroy that family's finances. Then the prepayment penalty that locked people into those loans. These retail mortgage practices resulted in irresponsible deregulation.

Then we had the securities that were made from those bad mortgages by financial firms, packaging those bad mortgages, putting a shiny wrapper on them, and then selling them with AAA ratings to financial institutions, to pension funds, to investment houses, tossing those mortgage securities hither and yon without full disclosure. When those mortgages that were in those packages went bad, those securities were going to go bad. That is what happened in 2008 and 2009. It melted down this economy.

Another piece was the irresponsible deregulation lifting leverage requirements on the largest investment houses. Bear Sterns in a single year went from 20-to-1 leverage to 40-to-1 leverage. That means they were going to make a lot more money when everything is going up, but it means the moment things turn down, they can't

cover their bets and they are going to get out of business.

Then we had credit default swaps. That is a fancy term for insurance on the success of a bond. That new insurance was issued by AIG without any collateral being set aside to cover the insurance—complete failure to deregulate this new product. Those insurance policies, those credit default policies created an interwoven web in which if one firm failed and couldn't pay off its responsibilities under the credit default swaps or insurance policies, then the firm that it owed was going to fail. It set up a web of potential collapse.

Those are the types of dramatic issues created through irresponsible deregulation that we must address in this body and that are addressed in the Dodd-Frank financial reform bill.

First, the bill ends those three predatory mortgage practices I spoke of. It ends liar loans. It creates underwriting standards. My colleague from Tennessee mentioned he would like to see underwriting standards in this bill. They actually are in the bill. That is a very important part of this legislation. This bill ends the steering payments, the bonuses paid to mortgage originators to basically guide people into tricky mortgages with hidden exploding interest rate clauses. This bill stops prepayment penalties that were used to lock families in. If you are in a mortgage and you have to pay several pounds of flesh to get out of that mortgage—and by that, I mean perhaps 10 percent of the value of your house—where is that 10 percent coming from? You can't do it, so you are locked in. You are chained to the steering wheel of a car going over a cliff. We have gotten rid of that practice.

The second main thing we have done is establish real-time consumer protection to end scams and tricks and traps in financial documents. There was a woman from Salem, OR, who wrote to me. She wanted to share her story, just one of the little pieces of malfeasance that had occurred. She had paid her credit card bill on a timely basis month after month, year after year. She was very surprised when she received a letter saying she had a late payment and owed a fee. So she called up the credit card company and said: How can this be? I always pay on time.

The person on the other end said: Yes, we received your payment, as you indicated. But your contract says we don't have to post your payment for 10 days, and so we didn't post your payment right away. We posted it at the end of that 10-day period. At the end of the 10-day period, your payment was late. So you owe us this fee. It is all in your contract.

She said: How can that be fair?

That is why we need a consumer protection agency for citizens across the country. Members know what I am talking about because virtually every one of us has opened up a statement and gone: Wait, how can that be fair? We did have the delegation of con-

sumer protection responsibilities to the Fed, but the Fed had its monetary mission in the penthouse of their office building. They had safety and soundness on the upper floors, but they put consumer protection down in the basement. They ignored it. They didn't act on the responsibilities they had. So we put those responsibilities in an organization, a Consumer Financial Protection Bureau that has a single mission—not a third mission or a fourth mission, not a forgotten mission, not a mission we put in the basement, but a first mission—so that Americans can choose from responsible financial products, not ones that compete to see who can have the biggest scam, the biggest deception, the biggest trick or the biggest trap but instead can compete on the cost of the product and on the quality of the service.

The third thing this bill does is redirects banks to the mission of providing loans to families and small businesses. This is the core function of the banking world. What happened over the last few years is some of our banks said: It is a lot more fun to bet on high-risk investments than it is to make loans to families and businesses. But that is not the mission of the banks that have access to the Fed window for discounted funds from the Federal Reserve. That is not the mission of the banks that we insure their deposits. The function of those banks is to make sure there is liquidity in the hands of our businesses so they can thrive and so families can thrive. This bill redirects them to that mission.

Let me put it this way: High-risk investing is a little bit like high-speed car racing.

You know as you watch cars going around the race track they are going to push the boundaries, the limits of speed and traction, and they are going to do quite well. They are going to try to nudge ahead of the rest of the cars. But then, eventually, one is going to hit some rubber on the track or some oil or some gravel or get bumped by another car and the race car is going to crash.

When you go to the track, you pretty well know in advance you are going to see a car crash. That is the way it is with investment houses. They are competing with each other to find the best opportunities for the highest return, so we know they are going to crash—that some of them will—and we accept that. This is an important role in the formation, aggregation, allocation of capital. But we want them to crash on the race track, not to crash out on the streets of the city or the streets of the countryside. That is why this bill moves high-risk investing out of the banks that should be dedicated to the mission of providing loans to small businesses and families.

Another key thing this bill does is restore integrity in the formation of securities. Let me put it to you this way. Imagine that an electrician comes to your house because you are asking that

electrician to wire up your basement. The electrician leaves, and you find out he or she took out a fire policy on your house. I think you might be a little worried about the quality of the wiring that was done in your basement.

Or consider this possibility: You buy a car and you find out the person who sold you the car took out a life insurance policy on you. Well, you do not like the idea, I do not like the idea, of the possibility that someone would sell a car that is defective so they can take out a life insurance policy and maybe cash in.

Yet that was what was happening with securities: companies taking bad loans, putting them in a shiny wrapper, selling them, and then taking out an insurance policy—a credit default swap—so when that security went bad they could cash in.

Well, we need to have a level of integrity in the formation of our securities or our bonds. This bill takes us in that direction. This bill puts the sale of swaps on organized markets. What are swaps? Again, they are insurance policies, based on interest rates; insurance policies, based on exchange rates; insurance policies, based on the success of securities.

You cannot sell insurance to the general public without setting aside reserves, but these swaps were sold without reserves. So this bill before us today says reserves are necessary so the bet can be covered if the event you are insuring should happen.

It also creates a market for them so the customer—that is normally a business that wants to hedge its interest rate risk or its exchange risk or its investments in securities, that wants to hedge and protect itself against the possibility that those will go down or change—they can get that at a much better price when they can do so through the power of a transparent, organized market.

So being able to hedge risk at a much cheaper price is a huge contribution to the formation and allocation of capital in our country.

Finally, this bill allows a systematic way to dismantle failing firms in the financial world so it minimizes systemic risk and so the industry itself picks up the cost of their failure, so we the taxpayers are not in a position of having to pick up that cost.

I know some of my colleagues on the other side have simply asserted the opposite to try to confuse the issue. Well, I think that is irresponsible because so much was done in this bill to make sure American taxpayers are never again on the hook for the failure of financial firms in our Nation. This is the type of responsible lane markers and traffic signals we need in our system.

Certainly every one of us here believes there are further strides that could be made. There are standards in this bill that I would like to have crisper. There are terms for which I know we will need fierce, vigilant regulation to make sure those terms are not expanded into loopholes.

This bill does not do as much as I would like to address the issue of perverse incentives in the system of rating securities, something the Presiding Officer was a huge advocate for, and put forward a terrific policy to address. We are going to have to keep working on that piece.

But in each of these areas I have described, this is a quantum improvement. I think colleagues on both sides of the aisle know that. So beware of efforts to confuse the debate trying to say what is north is south and what is east is west.

So these are the reasons—these core improvements to our financial system that enhance the ability to aggregate and allocate capital efficiently—why I am supporting this bill. I applaud the chairman of the Banking Committee, who steered this bill through enormous sets of obstacles. It is reported that Wall Street hired 1,000 extra lobbyists to try to torpedo the bill that is before us. That is a lot of obstacles to get through.

These are complex issues that required thoughtful analysis and had to be worked and reworked. So I applaud the chairman's work in taking us to this point where we are prepared to send this bill on to the President's desk.

I would like to particularly thank my colleague, Carl Levin, who teamed up to work with me on a proposal to take high-risk investing out of the bank holding companies and to improve the integrity of bonds. That was work that came straight out of the committee work he did in such a capable and timely fashion.

So with that, I conclude by saying we need a financial system that is not about quarterly profit margins on Wall Street, that is not about the size of bonuses on Wall Street but is about providing a foundation for business to thrive, for employment to be increased, for families to find work, and to build financial foundations for the success of those families over the next several decades. That is the type of financial foundation we need, and this bill certainly is a huge stride in accomplishing that.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I will not take long at this moment. I just want to compliment our colleague from Oregon—as well as other members of the committee—for his work on this historic piece of legislation. This was a long time in putting together a comprehensive, complicated piece of legislation dealing with financial reform. There are many people who deserve credit for the product of this legislation, not the least of which is Senator MERKLEY of Oregon, a new Member to this body but a very active and vibrant member of the Banking Committee who added substantially to the product that is now before us.

So I appreciate having the opportunity to hear his observations about

the bill and look forward to further comments today and tomorrow by others on this product. At a later point today, we will go into greater length about the bill. But I would urge my colleagues to support this legislation. I am very grateful to all who have been involved—both Democrats and Republicans—in trying to make this as strong and as good a bill as we possibly could.

I have listened with some interest today to the comments of others about this legislation, with some amusement, I might add, in terms of observations about how we got to where we did. But, nonetheless, that is the nature of this institution, I suppose.

With that, I again thank Senator MERKLEY for his fine work.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

#### INVESTING IN AMERICA

Mr. VOINOVICH. Mr. President, I rise today to discuss the state of unemployment in our country and what we need to do to finally create sustainable jobs and grow our economy.

The unemployment rate currently stands at 9.5 percent nationally and in my State 10.7 percent. Clearly, something has to be done about this. It appears that the new Senator we are expecting from the State of West Virginia may be the deciding factor when we vote later this month to begin addressing this problem.

First, I think we need to understand that we need to instill certainty into the economy by providing relief to the segment of our fellow citizens who cannot find work. Because of the downturn in the economy, I have already voted multiple times to extend unemployment insurance from the standard 26 weeks to 99 weeks, amounting to tens of billions of dollars. But this emergency extension has now expired, leaving many without the benefits they need to stay afloat. So let's extend unemployment insurance once again. Re-summing this emergency program through November 30 will cost about \$33 billion, and I believe we should pay for at least half of it from the stimulus funds.

Just before the recess, I supported an unemployment insurance extension that was fully paid for, but my Democratic colleagues blocked that amendment offered by Senator JOHN THUNE, preferring instead to continually borrow money on the credit card of our children and grandchildren. Last year, we borrowed \$1.4 trillion. That means we borrowed 41 cents of every dollar we spent last year. Over half of this debt is held by foreign investors. By the end of

this year, our national debt will be a staggering \$13.8 trillion. That is an almost \$2 trillion increase in 1 year. As the book of Proverbs tells us in chapter 7, verse 22, "The rich rule over the poor and the borrower is the servant of the lender."

America must address its debt and stop borrowing money from countries such as China and others that don't have our best interests at heart. We just can't keep kicking the can down the road. Our national debt is one of the most important problems we face, and our failure to begin to address the fiscal crisis will damage our economy, our national security, and the kind of future we leave to our children and grandchildren.

Still, I know Ohioans are hurting, so I approached the majority leader and told him I would provide the vote he needed to extend unemployment insurance if the Democrats were willing to use some of the estimated \$40 billion unspent stimulus money to help offset at least half of the stand-alone unemployment insurance extension. He rejected my offer but remained at the table on what I considered to be a fair and simple bill: Extend the unemployment benefits and pay for half of it.

So I say to my friends on the other side of the aisle, let's get it done. Let's extend UI benefits in a bipartisan manner and pay for at least half with stimulus funds. I am confident we could get 60 votes for that tomorrow.

Second, I know most people in America would rather have a job than collect unemployment insurance. They would rather have a job than collect unemployment insurance. But my concern is that not enough is being done by this administration—or by Congress, for that matter—to put people back to work or create an environment where businesses have enough confidence in the future to unleash a corporate, private sector stimulus.

I wish to quote from a current Newsweek article by Fared Zakaria entitled "Obama's CEO Problem. He needs business on his side now."

I ask unanimous consent to have this article printed in the RECORD following my statement.

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

(See exhibit 1.)

Mr. VOINOVICH. He says the following:

Actually, there is a second stimulus, one that could have a dramatic effect on the economy—even more so than government spending. And it won't add to the deficit.

He goes on:

The Federal Reserve recently reported that America's 500 largest nonfinancial companies have accumulated an astonishing \$1.8 trillion in cash on their balance sheets . . . and yet, most corporations are not spending this money on new plants, equipment, or workers. Were they to loosen their purse strings, hundreds of billions of dollars would start pouring into the economy. And these investments would likely have greater effect and staying power than any government stimulus.

He goes on to say:

The key to a sustainable recovery and robust economic growth is to get companies to start investing in America. So why are they reluctant, despite having mounds of cash lying around? [Mr. Zakaria] put this question to a series of business leaders . . . economic uncertainty was the primary cause of their caution . . . but in addition to economics, they kept talking about politics, about the uncertainty surrounding regulations and taxes.

The Business Roundtable, which has supported the Obama administration, has begun to complain about the myriad of new laws and regulations being cooked up in Washington.

He goes on to say:

One CEO said to me, "Almost every agency we deal with has announced some expansion of its authority, which naturally makes me concerned about what is in store for the future." Another pointed out that between the new health care bill, finance reform, and possibly cap-and-trade, his company had lawyers working day and night trying to figure out the implications of these new regulations.

Finally, Mr. Zakaria concludes:

Obama now needs to outline a growth and competitiveness agenda that will seem compelling to the American business community. This might sound like psychology more than economics, and the populist left will surely scream that the last thing we need to do is pander to business. But in fact the first thing we need is for these people to start spending their money—soon. As a leading New York businessman, who had publicly supported Obama during the campaign, said to me, "Their perception is our reality."

John Meacham, the editor of *Newsweek*, recently put it this way. He said:

A populism that begins in the boardroom would really be change we could believe in.

So the administration and Congress should listen to these concerns, give the private sector the certainty it needs to plan and grow, and unleash a lasting stimulus that doesn't cost a dime.

I am reminded of my second inaugural speech as Governor in 1995. I made the following statement which I believe is still relevant today. I was elected Governor in 1990, and this was my second inaugural speech after being reelected:

We have tried to respond to a very clear message the voters sent in 1990 and reaffirmed in 1994. People are fed up with big government—fed up with government that presumed to know or sought to provide all the answers—and fed up with government that had forgotten its mission and lost touch with its customers.

They were telling those of us in government that we were no better than the people whose hard-earned dollars go into the tax basket. Ohioans were expecting us to work harder and smarter and do more with less, just as they were doing in their households, farms, factories, and offices.

And they were reminding us of how Lincoln defined good government. He said, "The legitimate object of government is to do for a community of people, whatever they need to have done, but cannot do at all, or cannot do so well, for themselves, in their separate and individual capacities."

That is what Lincoln had to say.

I still believe these words are relevant today. I think the government

can serve the economic needs of the country by doing something I have talked about for a long time, which is by passing a surface transportation reauthorization bill this year, which is a legitimate objective for government. This is something people can't do individually or working with others. The government has to do this. With the U.S. economy struggling from the worst economic recession since the Great Depression, the immediate impact of this bill would be on jobs.

According to the American Association of State Highway and Transportation Officials, AASHTO, which represents the State departments of transportation, there are over \$47 billion of highway projects ready to go, supporting 1.6 million jobs—again, \$47 billion of highway projects ready to go that would create 1.6 million jobs. According to the American Road and Transportation Builders, ARTBA, the transportation construction industry supports the equivalent of 3,383,200 American jobs.

Just think about the massive impact this industry has on employment in the United States. It directly provides more—this is something that is really surprising to me—it directly provides more American jobs than the U.S. motor vehicle and parts manufacturers, plastics and rubber product manufacturers, beverage and tobacco product manufacturers, and petroleum and coal products manufacturers, among others. Our domestic transportation industry is the backbone of virtually all of the major industry sectors that comprise the U.S. economy—and the American jobs that they sustain. The infrastructure built, maintained, and managed by this industry is a vital part of our economy.

Unfortunately, the American transportation construction sector is currently in the worst condition since World War II, over 60 years ago. The unemployment rate in construction is over 20 percent—higher than any other industry and two times higher than the unemployment rate in the U.S. economy generally.

As a former member of the Laborers' International Local 310 in Cleveland, I am particularly sensitive to the unemployment among my brothers and sisters in the labor movement. Highway and transit construction accounts for about 75 percent of jobs for laborers in this country. The unions have underscored in meetings all over Ohio that they don't want unemployment. They don't want unemployment. They want jobs, and they can't understand why Congress is hellbent to push a climate bill that will put more of them out of work rather than the reauthorization of the surface transportation bill.

Why aren't we spending our time on the reauthorization of surface transportation? Why are we spending so much time on cap and trade?

I wish to share with my colleagues some stories everyday people on Main Street have to say.

Loree Soggs with the Cleveland Building and Construction Trades Council, which represents more than 17,000 union workers in northeast Ohio, said workers are not seeing much of a spike in jobs, and unemployment figures range from 20 percent in some trades to 40 percent in other trades, such as electricians.

In Cincinnati, OH, Matt Brennan, CEO of Loveland Excavating, Inc., says that his company's sales are down 53 percent, his workforce is down 55 percent, and workers' salaries are down 25 to 35 percent due to the lack of overtime. He has seen numerous projects abandoned due to lack of funding.

Banks are calling lines of credit for creditworthy contractors. There are no lending sources available. Many contractors are failing and closing their doors. That is happening all over. This is not just occurring in my State but, as I say, across the country.

Mr. Hammack, president of C.W. Matthews Contracting Co., one of the largest road construction companies in Georgia, said the ripple effect of the delay of a reauthorization bill has already reached firms like his. His company has already laid off 700 of its 2,000 employees since 2007 because of the recession. Now the delay in passage of the Transportation reauthorization bill and the dearth of State contracts mean he is planning to lay off as many as 200 more employees by the end of the year.

He said:

You can't proceed under business as normal when there's no clear direction out there. It's too dangerous to bet on the future and put your company in financial jeopardy.

He said that the administration's stimulus package, while a positive shot, hasn't provided long-term help for the heavy construction companies such as his.

The stimulus package, at least as it relates to Georgia, isn't putting the heavy equipment to work that moves dirt.

He said:

. . . It's not a sustainable cure for what ails the transportation industry.

Paul Campbell, executive vice president of Wheeler Machinery, a Caterpillar dealer in Salt Lake City, said that Utah's contract work has ground to a standstill as well.

There's a trickledown when you mess with infrastructure. It has a freezing effect on everything.

At his firm, this has meant 221 layoffs. He is considering laying off more of the 629 employees left.

Mr. Campbell said:

There's very little private money going into any kind of construction. You take the Federal contracts out of that and it gets a whole lot worse really quick.

We need a reauthorization of the transportation bill. States are facing the most difficult financial situation in 50 years. This year, in spite of the stimulus, 21 States have indicated that they would be forced to reduce spending in transportation.

The reauthorization is a "three-fer." First, it is jobs, jobs, jobs. This bill will

give confidence and certainty to an industry that is struggling right now. Recently a contractor testified before the EPW Committee on how a long-term bill will provide certainty to the transportation industry. Here is what he said:

Failure to pass a multiyear transportation bill creates significant market uncertainty. The uncertainty makes it difficult to hold onto valued employees. It makes it hard to convince subcontractors to work for us; it makes it hard to convince lenders to invest in us. When there is an inconsistent flow of Federal funding, State agencies hold up the release of projects that are ready to bid and construct.

Second, a reauthorization bill will be good for our competitive position in terms of our economy and infrastructure. Our Nation's transportation needs exceed current investment at all levels of government. According to the Department of Transportation, the average annual investment level needed to maintain the current condition and performance of our highway system is \$105.6 billion, while the cost necessary to improve our highways and bridges would be another \$174.6 billion. The bridges are in terrible shape. How many more Minneapolis I-35 bridges are lurking out there?

The last reauthorization bill, SAFETEA-LU, created the National Surface Transportation Policy and Revenue Study Commission to study our infrastructure needs. We called for the commission to give us the straight facts. The commission called for investments of at least \$225 billion annually over the next 50 years at all levels of government to bring our existing transportation infrastructure to a good state of repair and to support our growing economy.

Third, a reauthorization bill will help our environment. Transportation contributes almost 30 percent to the greenhouse gas emissions we have in this country. This figure blows my mind. The average length of time that urban areas experience congested conditions amounts to 6.4 hours each day. Anyone who travels in Washington here understands what that is about. The vehicles caught in stop-and-go traffic emit far more emissions than they do without frequent acceleration and braking. In recent years, drivers have experienced over 4.2 billion hours of delay annually. Traffic congestion is also responsible for 9 billion gallons of wasted fuel each year. Wasted fuel and lost productivity due to traffic congestion costs the U.S. economy over \$78 billion annually. Think about that. A reauthorization bill is needed to reduce congestion and consequently reduce greenhouse gas emissions.

A study recently prepared for the Federal Highway Administration found that bottlenecks on the Nation's highway system—caused by congested intersections, poor highway operations, inadequate capacity, and poor alignments—impose 243 million hours of delay on truck shipments with the direct costs of the delays totaling \$7.8

billion per year. According to the American Trucking Association, truckload miles traveled nationwide were off 17 percent last year. The average miles per truck were down 20 percent. In other words, truck drivers are allowed to only work so many hours. They have X number of miles that they can go. Because of the congestion we have today, they are getting almost 20 percent less mileage covered. That is because of the congestion they encounter all over this country.

This is a great time to invest in infrastructure. We will get a better bang for our buck. Because of the economy today, the return on infrastructure investment is better than it has been in recent years. Over the years, we saw SAFETEA-LU money dwindle because of the high cost of oil. We also saw the high cost of steel. Because of the economy, project bids are coming in extremely low. In fact, in Ohio, bids have been up to 30 percent lower. So what a time to invest. We are going to get a return on our investment.

The gas tax. I want you to know that I am not talking about borrowing the money for the reauthorization of the surface transportation bill, as we do for everything else here. That is what the American people are very upset about—spending and borrowing the money. The American people, as I say, are fed up because they are concerned with the deficit and budgets not being balanced as far as the eye can see. We will not have to charge our kids' and grandkids' credit cards. We can pay for this by increasing the gas tax, which has not been increased since 1993. The fact is that Americans are willing to pay an increase in the gas tax to create jobs, improve our infrastructure, and better the climate. Many of my conservative colleagues do not consider the gas tax as a tax but a user fee. The SAFETEA-LU-created National Surface Transportation Infrastructure Financing Commission recommends that Congress enact a 10-cent increase in the Federal gasoline tax and a 15-cent increase in the Federal diesel tax to just maintain our infrastructure.

I remember when I was mayor and President Reagan was faced with a similar situation with the economy in 1982. We were facing record unemployment—about 10 percent. I remember that well. As I say, I was mayor of the city of Cleveland. We had 20 percent unemployment in Cleveland. During the lameduck session, the Reagan administration proposed a gas tax increase and, subsequently, Congress passed the Surface Transportation Assistance Act of 1982, which provided a 5-cent gas tax increase.

The American people think they are already paying increased gas taxes. In 2009, Building America's Future conducted a poll, which found that—that is Governor Ed Rendell of Pennsylvania—60 percent of Americans believe that the Federal gas tax has been increased every year. But as you know, the gas tax has not been indexed to in-

flation, so its purchasing power has declined by 33 percent since it was last increased in 1993.

I have been meeting with groups since March of last year. They desperately want a reauthorization bill and they are willing to pay an increase in the gas tax. Groups that in the past have never accepted such an increase—listen to this—the Chamber of Commerce, National Association of Manufacturers, American Trucking Association—Bill Graves, the head of the truckers—the International Union of Operating Engineers, Laborers' International Union, Association of General Contractors, National League of Cities, National Association of Counties, and the American Public Transit Association, to name a few. There are many more.

I ask unanimous consent to have printed in the RECORD a list of all the groups that support increasing the gas tax. It is an unbelievable group, including the League of American Bicyclists. People are willing to do this.

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

American Association of State Highway and Transportation Officials (AASHTO), American Road & Transportation Builders Association (ARTBA), American Public Transportation Association (APTA), Amalgamated Transit Union (ATU), America Bikes, American Concrete Pavement Association (ACPA), American Council of Engineering Companies (ACEC), American Highway Users Alliance, American Society of Civil Engineers (ASCE), American Traffic Safety Services Association (ATSSA), American Trucking Associations (ATA), Associated Equipment Distributors (AED), Associated General Contractors of America (AGC), Association for Commuter Transportation (ACT), Association of Equipment Manufacturers (AEM), Association of Metropolitan Planning Organizations (AMPO), International Union of Operating Engineers, Laborers' International Union of North America (LIUNA!), League of American Bicyclists, National Asphalt Pavement Association (NAPA), National Association of Counties (NACo), National Association of Development Organizations (NADO), National Ready Mixed Concrete Association (NRMCA), New Starts Working Group, Safe Routes to School National Partnership, Transportation Trades Department, AFL-CIO, United Brotherhood of Carpenters and Joiners of America.

Mr. VOINOVICH. This is what is exciting to me. Today, Senators BOXER, INHOFE, BAUCUS, and our staffs are working full time—and a lot of colleagues don't understand what is going on now—to get a bill done this year on a bipartisan basis. Two Democrats and two Republicans are working together. This is real stuff, OK, not something that the leader will have to deal with in his office in terms of climate change and other things that we have been talking about. The good news is that the House of Representatives has been working on reauthorization for 2½ years, and the House bill has been voted out of subcommittee. The bill is ready to be pre-conferenced as soon as we get our work done. Unfortunately—and here is the thing I am concerned

about—we are still waiting to hear from the White House on their priorities. I recently met with Secretary Ray LaHood, and he indicated that we will be hearing from the administration soon.

But the fact is the person we need to hear from is President Barack Obama. That is who we need to hear from. He is out on the stump talking about creating jobs. Here is an unbelievable opportunity—a way to create real jobs and not borrow the money from our kids and grandkids to pay for it. On occasion, the President has said he is opposed to any tax, including a gas tax, on the “middle class.” I point out that the Kerry-Lieberman bill, which he supports, includes an increase in the gas tax of between 20 and 60 cents higher per gallon. That doesn’t make sense. He supports that but not 10 cents for highways? It should be noted that all the groups who want the reauthorization bill and are willing to pay for it with a gas tax, by the way, are up in arms about the Kerry-Lieberman bill, because they think it diverts funds from the highway trust fund.

They sent a letter to the President, saying this gas tax is to be used for transportation and transit in this country. We don’t warrant its use in the Kerry-Lieberman bill to raise money for things that don’t have anything to do with the concerns that we have.

Passing a surface transportation bill would put a large segment of the economy to bed. Think about it. For 5 years, that part of our economy will feel good about things. It will help States meet their infrastructure needs. It will reduce greenhouse gases and provide certainty and stability to keep it on the road to recovery.

Show me another bill that has bipartisan support from labor, manufacturing, business, truckers, and State and local groups. I doubt any other piece of legislation will get this kind of support before the election. Do you know what we need? We need a sorbet to bring people together. Let the American people know that we hear them. And do you know something? We can get something done on a bipartisan basis, believe it or not. This legislation will create real jobs for Americans. It will be paid for and will put a major part of the economy to rest without adding to an already staggering deficit. It will eliminate the uncertainty about the future that is plaguing our country so we can move forward to provide brighter prospects for our children and grandchildren.

I guess the most important guarantee is that the bill will give peace of mind to millions of workers in transportation and allied industries. They no longer will have to worry about unemployment compensation. They will have a job. They can pay their mortgage, buy a car, pay for their kids’ education; and they can have the peace of mind that comes from having a job.

## EXHIBIT 1

[From Newsweek, July 6, 2010]

## OBAMA’S CEO PROBLEM

(By Fareed Zakaria)

The American economy is sputtering, and we are running out of options. Interest rates can’t go any lower. Another burst of government spending—whether a good or bad idea—looks politically impossible. Is there anything that could protect us from the dangers of stagnation or a double dip? Actually, there is a second stimulus, one that could have a dramatic effect on the economy—even more so than government spending. And it won’t add to the deficit.

The Federal Reserve recently reported that America’s 500 largest nonfinancial companies have accumulated an astonishing \$1.8 trillion of cash on their balance sheets. By any calculation (for example, as a percentage of assets), this is higher than it has been in almost half a century. And yet, most corporations are not spending this money on new plants, equipment, or workers. Were they to begin loosening their purse strings, hundreds of billions of dollars would start pouring through the economy. And these investments would likely have greater effect and staying power than a government stimulus.

Now, let me be clear. I think there is a strong case for a temporary and targeted government stimulus. Both people and companies are being very cautious about spending. Right now, government spending is what’s keeping the economy afloat. Without a second stimulus, state and local governments will have to slash spending and raise taxes, which will produce a downward spiral of higher unemployment, slower growth, lower tax revenue, and a larger deficit. Joel Klein, the New York City schools chancellor, told me that when the stimulus money runs out at the end of this year, he will be forced to lay off 5,000 teachers. Multiply that example a thousand times to get a sense of what 2011 could look like.

But government spending can only be a bridge to private-sector investment. The key to a sustainable recovery and robust economic growth is to get companies to start investing in America. So why are they reluctant, despite having mounds of cash lying around? I put this question to a series of business leaders over the past few days. They were all expansive on the topic, and all wanted to stay off the record, for fear of offending people in Washington.

Economic uncertainty was the primary cause of their caution. “We’ve just been through a tsunami, and that produces caution,” one said to me. But in addition to economics, they kept talking about politics, about the uncertainty surrounding regulations and taxes. Some have even begun to speak out publicly. Jeffrey Immelt, the CEO of General Electric, complained last Friday that government was not in sync with entrepreneurs. The Business Roundtable, which had supported the Obama administration, has begun to complain about the myriad new laws and regulations being cooked up in Washington.

One CEO said to me, “Almost every agency we deal with has announced some expansion of its authority, which naturally makes me concerned about what’s in store for us for the future.” Another pointed out that between the new health-care bill, financial reform, and possibly cap-and-trade, his company had lawyers working day and night trying to figure out the implications of all these new regulations. Lobbyists in Washington have been delighted by all this new activity. “[Obama] exaggerates our power, but he increases demand for our services,” the super-lobbyist Tony Podesta told *The New York Times*.

Most of the business leaders I spoke to had voted for Barack Obama. They still admired him. Those who had met him thought he was unusually smart. But they all thought he was, at his core, anti business. When I would ask them for specifics, they pointed to the fact that Obama had no businessmen or women in his cabinet, that he rarely consulted with CEOs (except for photo ops), that he had almost no private-sector experience, that he’d made clear that he thought government and nonprofit work was superior to work in the private sector. It all added up to a profound sense of distrust.

Some of this is a product of chance. The economic crisis forced the government into expansions of its authority in dozens of areas, from finance to automobiles. But precisely because of these circumstances, Obama now needs to outline a growth and competitiveness agenda that will seem compelling to the American business community. This might sound like psychology more than economics, and the populist left will surely scream that the last thing we need to do is pander to business. But in fact the first thing we need is for these people to start spending their money—soon. As a leading New York businessman, who had publicly supported Obama during the campaign, said to me, “Their perception is our reality.”

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Georgia is recognized.

## FINANCIAL REGULATORY REFORM

Mr. ISAKSON. Mr. President, I will be brief. I come to the floor this afternoon in anticipation of the vote tomorrow on the financial regulatory bill and to express the concerns I expressed before its passage on the floor originally, and my continuing concern today about its final form—and I understand it will pass with 60 votes.

Nobody has been more concerned about the economy and the financial markets and financial institutions of our country than I. In part, because of my lifetime in the residential real estate business, I have seen firsthand the sufferings in our mortgage industry, the foreclosures that have taken place, and what the subprime lending industry did in the U.S. economy.

Before we rush to a reeregulation of financial institutions, I think we have to stop and reflect on some of the things we have already noted as Members of the Senate.

Senator CONRAD, a Democrat from North Dakota, and myself introduced legislation over a year ago called the Financial Markets Crisis Commission. We introduced it because we believed everything that had happened in late 2008 through March of 2009 that collapsed our markets on Wall Street, collapsed our securities, collapsed our mortgage-backed securities lending, and hurt our banks both community and national need to be investigated. We need to get to the root problem. We need to try to correct it.

This Senate passed the Conrad-Isakson amendment unanimously. The House passed it virtually unanimously. The Senate and the House funded it to the tune of \$8 million. That commission is appointed and working today. It

has subpoena powers that it can issue, and it is issuing subpoenas. It is directed by statute to report back to us by December 31 of this year.

Here we find ourselves in the position of getting ready to pass a financial re-regulation bill on the floor of the Senate tomorrow, in the middle of the year in July, knowing that we are not going to have until December of this year the forensic audit of our financial system done by the Financial Markets Crisis Commission which we unanimously funded and demanded. It is like a doctor doing surgery before he does a diagnosis. It does not make a lot of sense.

In particular, there is one part of the bill I want to focus on for a second that I think is rife for continuing problems without any regulatory oversight, and that is Freddie Mac and Fannie Mae.

I think everyone realizes that the purchase of mortgage-backed subprime securities by Freddie and Fannie created the depository whereby Wall Street went to raise the money to make subprime loans, knowing they could sell them to Freddie and Fannie. Once you create liquidity for those securities, you create a market, and those securities are going to be created to be funded or purchased by those entities.

That is exactly what happened over the 5 or 6 years preceding the beginning of the collapse in late 2007. Freddie and Fannie went from zero holdings in subprime loans to as much as 13 percent of their portfolio. This was not just because they decided to buy them, but it was in part because of a congressional directive for Freddie and Fannie to have a portion of their portfolio in what is known as affordable loans.

These affordable loans became subprime loans. They were securitized on Wall Street. The securities sold around the world, with the legitimacy of those securities based in part on the fact that U.S. Government-sponsored entities, Freddie Mac and Fannie Mae, were buying them, but also because Moody's and Standard & Poor's rated them AAA. Then all of a sudden we had a tremendous collapse of subprime securities that had devastating consequences not just for the United States but for the world.

Briefly, I want to tell a story to make that point. In August of 2008, I was in Kazakhstan with Leader REID and other Members of the Senate on a trip that later took us to Afghanistan and finally to Germany. When we arrived in Kazakhstan and landed at the airport, we went into the city in an ambassador's vehicle. As we went by, I saw this beautiful city in Asia, beautiful countryside, large buildings being built, beautiful flowers, obviously a country of great wealth. They do have most of the oil in the old Soviet Union, now the Russian Federation.

As we came into town, I kept noticing vacant, half-finished 20- and 30-story buildings with a chain-link fences around them and razor wire on the fences and a padlock on the doors.

We went to the Embassy and went to a briefing. When it was over, we were asked if there were any questions. I said: I have one. Is today a holiday?

The Ambassador's officer said: No, it is not a holiday. Why do you ask?

I said: We passed 15, 20 buildings half finished, cranes up, 20 to 30 stories, padlocks on the gates, razor wire on the fences, nobody working. What happened?

He said: U.S. mortgage-backed subprime securities.

I said: I beg your pardon.

He said: U.S. mortgage-backed subprime securities. He said: Just 3 weeks ago, Merrill Lynch in America wrote down their portfolio by 78 cents on the dollar. Therefore, the Bank of Kazakhstan, which had bought a number of these securities, wrote down their portfolio as well. They stopped funding construction loans. They stopped making mortgages.

Kazakhstan is 11½ time zones away from Washington, DC. The reverberations of the subprime security collapse affected not just the United States but the world. Today what is happening in Europe and other areas is, in part in our recession, was a consequence of what began by a mandate by Congress for Freddie Mac and Fannie Mae to purchase affordable mortgage-backed securities which became the subprime securities that collapsed the marketplace.

I tell that story and I make that statement to make my single important point on why this rush to judgment on the financial regulatory bill is wrong. It is wrong because it excludes Freddie Mac and Fannie Mae from any scrutiny or increased regulation. Let me repeat that. The two entities that created the market that bought the securities that fueled the funds for Wall Street to put them together and sell them—the two entities, Freddie Mac and Fannie Mae—are exempt from this financial re-regulation bill in terms of scrutiny.

That just, to me, does not make any sense. I think when the Financial Markets Crisis Commission reports back to us at the end of this year, it will make it clear that it is a mistake to rush to judgment.

It is critical that we have all the players under scrutiny and all the players under regulation, not just trying to create a feel-good system where we reregulate those who are already regulated, saying we are doing something about the conditions in the market when, in fact, we are raising the cost of doing business, lowering the ability for banks and lending institutions to extend capital and, in fact, in some ways contributing to a contraction of the recession we experience today in America.

When I cast my "no" vote tomorrow on financial re-regulation, it will not be because I don't think we need to do some things in the marketplace, but it will be because I think it is time we listen to the people we have charged to

come back to us with a forensic audit and tell us what we should have done rather than take a rush to judgment in a precarious and difficult time in the current recession in the United States.

I am grateful for the time given to me. My vote tomorrow on the financial re-regulation bill will be no. It is my hope that when the Financial Markets Crisis Commission comes back in December, we will find the right answers from that forensic audit to then make the right decisions for the financial markets of the United States of America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

#### TRIBUTE TO LIEUTENANT GENERAL FRANKLIN L. HAGENBECK

Mr. REED. Mr. President, next Monday, LTG Franklin Hagenbeck will retire from the U.S. Army after 39 years of service. He is a friend and a classmate from West Point, the class of 1971.

Buster Hagenbeck has distinguished himself as a soldier, as a scholar, as an individual of peerless leadership ability. He entered West Point with the class of 1971. He graduated and was commissioned an infantry officer. He served in a succession of assignments, culminating as the commander of the 10th Mountain Division in Afghanistan. There he fought the fight in Operation Enduring Freedom. He served with great distinction, great judgment, and great discernment of the situation. He certainly not only exemplified the courage and character of our troops, but he felt very deeply for their concern and welfare. That is the type of individual, that is the type of soldier he is.

After serving as the G-1 of the U.S. Army, he was designated the 57th Superintendent of the United States Military Academy. In the last several years, he has distinguished himself as a leader on not only issues of academic excellence but also, much more important, fulfilling the fundamental mission of the Military Academy to produce men and women committed to the motto of the academy: "Duty, honor, country." Selfless service to the Nation. Buster Hagenbeck personifies that spirit.

Under his leadership, West Point has been recognized by Forbes magazine as the best liberal arts college in the country. Every year it has successful candidates for Rhodes Scholarships and Marshall Scholarships. It is ranked at the very top in terms of engineering schools in the United States. But the real hallmark of West Point, as it always has been and always must be, is the men and women they produce, the young lieutenants who are today serving in Iraq and serving in Afghanistan, serving with courage and distinction.

I think it is not only comforting for them to know but inspiring that their Superintendent led forces in Afghanistan before them, that he knows what

lies ahead of them, and that he has done everything in his capacity and power to ensure that they are ready to serve the Nation and lead the Army.

I have been privileged to be his friend, to know both him and his wife Judy, to be a beneficiary of their warm friendship and their kindness.

As he retires from the U.S. Army, ending the last class of 1971 graduates in active service to the Army and the Nation, I congratulate him and thank him.

#### TRIBUTE TO BRIGADIER GENERAL PATRICK FINNEGAN

Mr. REED. Mr. President, I rise to pay tribute to an extraordinary officer and gentleman—my dear friend BG Patrick Finnegan.

Pat Finnegan and I go back a long way. We were classmates from the class of 1971 at West Point. We went to the Kennedy School of Government at Harvard University together. We went to the infantry officer basic course together, the airborne school. In fact, I was Lieutenant Finnegan's platoon leader.

Pat went on to serve first as an infantry officer and then as a military intelligence officer. He was so talented and so obviously marked for big things that he was selected by the Army to attend the University of Virginia Law School. There he demonstrated his great legal mind and talent by his remarkable success in the classroom. He was a member of the Law Review, and then went into the Judge Advocate General Corps. He served with distinction, never serving a Washington billet, but always with the troops in the field, overseas in Germany, but particularly with the Special Operations Command, those warriors who are the tip of the spear for our military forces.

Pat returned to West Point as a full colonel to become the head of the Department of Law. There he nurtured a generation of cadets. His success was such that he was the most obvious and the best choice to become the dean of the Military Academy, and he assumed those duties. For the last several years he has led the academic department at West Point with distinction.

West Point has been selected by Forbes magazine as the best undergraduate institution in the country. It has been recognized in terms of the scholarships awarded to its students and in terms of the excellence of its academic programs.

Pat contributed a lot more than just academic expertise. He and his wife Joan and their children and their grandchildren were a large part of the fabric of the West Point experience. They were there cheering on the cadets at their athletic events. They were there in the good times and the bad times of cadets. They were a source of inspiration and encouragement for class after class at West Point. Pat and Joan have left an indelible mark on the academy. They have done it with great

learning and great character, and they have inspired all of us with their dedication to the Army, to the country, and a dedication to each other and to their children.

It is with a great deal of pride that I salute BG Patrick Finnegan on his retirement from the U.S. Army and salute him also upon his appointment as president of Longwood University. Longwood will never regret their choice of a distinguished soldier and a great gentleman as their new president.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### PROTECTING GULF BIRD HABITAT

Ms. KLOBUCHAR. Mr. President, as you well know, it has been 3 months since the Deepwater Horizon oil rig exploded in a massive fireball, killing 11 workers and injuring 17 others. But the extent of this tragedy is still beyond comprehension for everyone in this country. Since then, as we all know, as much as 50,000 barrels of oil per day has flowed into the Gulf of Mexico. At that rate, the Exxon Valdez disaster in Alaska has been duplicated every 4 days. I don't think that when this started, anyone thought that was possible.

There are many resources down there, as we know. It was slow going at first, but now we see more than 6,800 vessels, 117 aircraft, 3 million feet of boom, and more than 45,000 personnel.

In May, I went on an aerial tour of the spill while I was in New Orleans. I saw firsthand the miles and miles of oil slick covering the gulf, threatening the livelihoods of millions of people in the gulf coast as well as some of our Nation's most precious wildlife.

Our priorities are clear. First, we have to plug this well. We know there are some efforts underway as we speak, as well as a long-term plan of pushing some cement in there, that we know may not be completed until mid-August.

The second is that BP and others responsible must pay so that the taxpayers of our State of Minnesota as well as States across the country are not on the hook. The \$20 billion the President and others negotiated with BP was a very strong start because, as we know, what happened with the Exxon Valdez—20 years later, a lot of those families still had not gotten their money. Mr. President, 8,000 of the plaintiffs and fishermen died before they got their money in that case.

Third, we need to figure out what happened so this never happens again.

Fourth, we need to reform the agencies that were supposed to be the watchdogs but turned out to be the lapdogs and redouble our efforts to diversify the energy supply.

I have focused on addressing this disaster because I believe we owe it to the taxpayers and because this disaster has devastated the resources that belong to all Americans. Now, as we face the worst environmental disaster in our Nation's history, we cannot lose sight of a piece of it that I don't think has gotten enough attention. Why? Because we have not even seen it play out yet. We have seen that wildlife down there right now. We have seen the pelicans drenched with oil hobbling on the beaches. We have seen all that. But what we have not seen yet—and we have no idea of the extent of the problem yet—is what is going to happen to the 13 million migratory birds, waterfowl coming from Minnesota, coming from Wisconsin, that winter in the gulf coast in those marshes.

At first, no one, understandably, focused on the unsettling proposition that millions of birds that winter in the gulf every fall and winter will be faced with toxic shorelines and toxic marshes, but as the oil laps up on the shore, we have to face this unacceptable but real problem right now.

As you know, in our State we know summer has arrived when we hear the loon calls from our 10,000 lakes. Minnesota is home to half a million ducks and the largest population of loons in the continental United States. Hunting and wildlife watching is part of our heritage, but it is also an important part of our economy. Waterfowl hunting contributes almost \$50 million in economic activity in Minnesota every year, and Minnesota has the third highest birding participation rate of all States, at 33 percent or 1.5 million people.

The U.S. Fish and Wildlife Service is heading up the Natural Resource Damage Assessment and Restoration Program, which will come up with an estimate of restoration costs that will be sent to BP for them to pay to help clean up the shorelines, the estuaries, and the marshes. Additionally, the new escrow account that has been created will help ensure that the claims process for individuals and businesses runs smoothly and efficiently, and it will also help ensure that claims by government—State, local, and tribal—that are submitted to BP will not be delayed by a slow claims process.

But, while the Unified National Incident Command is doing all it can to stop the leak, it is important that we simultaneously do all we can to protect the habitat of the birds and the ducks in the gulf that support our hunting and birding economy in this country.

In just a few weeks, millions of birds will begin to migrate south from Canada, from the Great Plains and parts of the Midwest. They will fly hundreds or even thousands of miles to the gulf coast, where they spend their winters.

Remember, all we have seen so far is just the birds that live down there in the heat. Think of when all the birds go down there. This is what they are going to find. They are going to find that beaches that used to have beach balls are now filled with tar balls. So many of them go to the marshes and the wetlands, and the oil is starting to creep into those marshes. We cannot really put up a sign for those birds that says: Hey, go to Mexico instead. There are naturally other places they could go, but, guess what. They can't read. Nor are we going to be able to put some big net up to stop them from flying to those places. I talked to people, experts on this, from Ducks Unlimited and other places. These birds do not have the instinct to avoid those oily areas. They are going to just plow back in where they went last winter. That is why a bipartisan group of Senators joined me in sending a letter to Secretary Salazar to ensure that proper attention and coordination is also made with U.S. Fish and Wildlife and conservation organizations that are working to protect the habitat of migratory birds.

I am pleased that just this week, the National Incident Command announced the launch of a new Web site, [restorethegulf.gov](http://restorethegulf.gov), dedicated to providing the American people with clear and accessible information and resources related to the BP oilspill response and recovery.

It is also important that as we focus on stopping this terrible leak, we also prepare for the serious and imminent threats to the birds and wildlife that play a critical role in the regional gulf economies and to the more distant regional economies in places such as Minnesota and Wisconsin.

In just a few weeks, we must be ready for the mass influx of ducks and birds in the gulf region. If we fail to prepare, countless unsuspecting birds, wildlife, will not return to Minnesota and our ecosystems and economies will feel the impact, not just in Minnesota but throughout the country; not just in Louisiana, not just in Florida. It will spread. We will continue to push, with the recovery efforts, to make sure there is adequate focus on this important issue.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### FINANCIAL REGULATORY REFORM

Mr. DODD. Mr. President, I want to spend a couple of minutes, a few minutes this evening, if I can, talking about the Wall Street reform, the fi-

ancial reform bill. I want to begin by thanking the Presiding Officer who, while not a member of the committee, played a very active role during the consideration of the legislation on the floor of this body a number of weeks ago.

There will be a debate again, I know, tomorrow before we actually vote on final passage of the bill. A lot of this I will talk about this evening I have discussed in the past over many weeks and months that have brought us to this particular moment, where within the next 24 hours we will make a final decision as to whether this body is prepared to endorse the efforts to reform our financial system in this country so that we never ever again subject the American people to what they were subjected to in the fall of 2008 where the Congress of the United States, along with President Bush, asked the American taxpayer to write a check for \$700 billion to bail out financial institutions which, through their own misfeasance and malfeasance, as well as those of regulators who failed to act, put this country and in fact the globe at financial risk.

I shall never forget as long as I live the meeting in mid-September in the offices of Speaker NANCY PELOSI, along with Democrats and Republicans, and their respective committees in Congress, where the Chairman of the Federal Reserve Board and the Secretary of the Treasury under President Bush announced to all of us that if we did not act within a matter of days, and I am literally quoting the Federal Reserve Chairman and the Secretary of the Treasury, that if we did not act within several days, the entire financial system of this country and maybe a good part of the world would melt down, were their words.

So we acted over the next several weeks. There are a number of Members here who were deeply involved in that effort. The country reacted with great outrage over how we had ever gotten to that position and what steps we were going to take to see to it that we would never ever again subject our Nation not only to the cost of bailing out these firms but also the cost that has ensued as a result of the financial collapse to jobs and homes, retirement accounts, ability of families to educate their children, all of the effects that have been visited upon the American people and many others as a result of events that began to transpire years ago, culminating in the difficulties we saw in the fall of 2008.

Before I begin any remarks about the bill itself and what we have tried to achieve, I want to begin by thanking my colleague from Arkansas, Senator BLANCHE LINCOLN, who chairs the Agriculture Committee. She shared a responsibility with me in this bill, and while the bulk of the titles came out of the Banking Committee bill, a very critical piece of this legislation involved the participation of the Agriculture Committee. She and SAXBY

CHAMBLISS, my colleague from Georgia, along with their colleagues on the committee, worked very hard and I thank them and their staffs for the work they have produced in order to make this a stronger and a better bill.

I want to thank my House counterpart, BARNEY FRANK of Massachusetts, who chairs the Financial Services Committee of the other body. He, along with Chairman PETERSON of the Agriculture Committee, did a very good job in pulling together the House version of this bill. They actually completed their work back in December of last year. The House moved more quickly for all of the reasons that Members are aware of, the rules of the institution and others that facilitate the rights of the majority to basically move along through the underbrush without the nuances that the Senate provides for in terms of the consideration of legislation.

I sat, along with my Senate colleagues from the Banking Committee and the Ag Committee, for 2 long weeks, almost 70 hours in a conference committee. For those who wonder what a conference committee is, very simply it is when the Senate acts on a bill and the House acts on a bill, and you need to resolve the differences between the two, we meet in what is called a conference committee.

The leadership of both Chambers appoints conferees to represent the interests of the respective Chambers, as you then sit down and try and iron out those differences. Chairman BARNEY FRANK chaired that conference committee. There were 42 of us, Members of the House and the Senate, who got together for that lengthy period of time, including one all-night session, to produce what is in front of us today, and that is this. This is the conference report that reflects the work of both bodies over many months in trying to craft a series of ideas and proposals that would minimize, if not all together prohibit, the tragedy we have been through over these last several years.

I would also be remiss at this juncture if I did not thank the members of the Senate Banking Committee who spent a lot of time together over the last number of years. I became chairman of this committee about 30 months ago, in January of 2007. My great friend and colleague with whom I served for so many years from Maryland, Paul Sarbanes, retired from the Senate. The ranking member, Senator SHELBY, was chairman of the Banking Committee for about 4 years prior to January of 2007. So on the seniority system, I reached the elevated status to become chairman of this committee at a critical moment when obviously the bottom began to fall out of our economy. Since January of 2007, our committee has had around 80 hearings on this subject matter alone that has produced the ultimate product before us here this evening and tomorrow.

I want to begin by thanking my Democratic colleagues on the committee and the members of their staffs. TIM JOHNSON of South Dakota, who has done a wonderful job, has been deeply involved in a number of critical issues before the committee.

JACK REED of Rhode Island is a very valued member of the committee, spent a lot of time working with Senator GREGG on the derivative section in this bill.

Senator CHUCK SCHUMER of New York, extremely knowledgeable about financial matters, has been invaluable in understanding the nuances and the difficulties, as well as understanding this institution very well, and I want to thank him for his service.

Senator BAYH of Indiana, who, along with myself, will be retiring at the end of the year, has been a strong member of the committee, brought a good perspective on the needs of American business and industry as we worked our way through the legislation; BOB MENENDEZ of New Jersey, tremendously helpful as well.

HERB KOHL of Wisconsin, again a knowledgeable businessman in his previous life, comes to the Senate with a lot of strong ideas and contributed to this bill.

DAN AKAKA of Hawaii also added considerable financial literacy. This has been a subject matter he has long been interested in, and seeing to it to how we might elevate the knowledge and understanding of consumer responsibility when it comes to financial matters.

SHERROD BROWN of Ohio. We serve together on two committees involved in both the Health, Education and Labor Committee, which the Presiding Officer also serves on. He is a member of the Banking Committee, and again was tremendously helpful and interested in the subject matter.

JON TESTER of Montana did a very good job as well and was invaluable on rural America, the interests of small banks, the financial needs of more rural aspects, more rural areas of our Nation.

JEFF MERKLEY who played a critical role, along with CARL LEVIN, on a major part of this bill dealing with proprietary trading, the so-called Merkley-Levin rule, which was debated at length over many weeks and is part of this bill.

MARK WARNER of Virginia is a new member of this body, a former Governor of Virginia, and a person who has spent a good part of his life working in the area of financial services. I cannot begin to say enough about MARK WARNER's involvement with this bill. He was invaluable in terms of helping to understand and bring together various people from disparate points of view on resolution mechanisms, as well as winding down of financial institutions and how they ought to work. And while a junior member of the committee, his involvement, his participation, was that of any senior member—in fact, more so. So I thank him.

Then, of course, MICHAEL BENNET of Colorado, as well who comes from a varied background, including financial services, understands it well.

So I thank my Democratic colleagues on the committee for their work.

Senator SHELBY, the Republican ranking member, and I have been great friends for many years, served in the other body and this body together for a number of years. And while we have differing points of view on this bill, and he is not a supporter of it, the Shelby-Dodd amendment, which was offered at the outset of the debate on the floor of this Chamber, put aside I think for most Members once and for all the issue of a bailout, too big to fail. I thank him for that and his involvement in the process as we moved forward.

BOB BENNETT of Utah, tremendously knowledgeable, played a very important role on the Banking Committee over many years.

JIM BUNNING, the nemesis of the Federal Reserve, was never shy at expressing his concerns about the conduct of the Federal Reserve Board. I thank him for that.

MIKE CRAPO of Idaho is very knowledgeable, worked with CHUCK SCHUMER on corporate governance issues. He contributed to this bill. A number of amendments we adopted were Crapo amendments that strengthened the legislation.

BOB CORKER, worked with MARK WARNER. I thank BOB CORKER. I listened to his remarks earlier today. We have a different point of view on the evolution of this bill, but, nonetheless, I thank him for his work on titles I and II of the legislation. Along with Senator WARNER, I think they made a significant contribution—and his staff as well.

MIKE JOHANNIS of Nebraska again has strong interest in the legislation; Senator VITTER of Louisiana; Senator DEMINT of South Carolina; also Senator HUTCHISON. A number of amendments were adopted. KAY BAILEY HUTCHISON of Texas was deeply interested in regional banks, the Reserve banks, and played an important role.

JUDD GREGG of New Hampshire, again a retiring Member at the end of this Congress, while we have had some differences on this bill, which you will no doubt hear more of over the next 2 days, JUDD GREGG played such a pivotal role in the fall of 2008 in trying to put together a proposal that would restore some stability to the financial institutions in our country. While we have our disagreements, I have great respect for him. He is a knowledgeable Member, one who brings a great deal of passion to his beliefs and views. There are a lot of matters in which I could point to JUDD GREGG's involvement. I thank him as well.

Those are the members of the Banking Committee. So before beginning any substantive discussion of the bill itself, I wanted to thank the leadership of the House, the Financial Services

Committee, and my colleagues on the Banking Committee, as well as, of course, BLANCHE LINCOLN of the Agriculture Committee for their work.

At a later point in these remarks, I will go through and mention staff, people who played such a critical role as well. But I thought at the outset we need a recognition of these Members. Yesterday I spoke briefly about the role of the majority leader, HARRY REID. And again, while not involved on a daily basis in the production of this legislation, the majority leader played such an important role in making sure the institution provided the time and the space and the procedures for the consideration of a matter such as this. As I mentioned earlier, he could have very easily decided to truncate the debate. We ended up taking 4 weeks of the time of this body, considering, as I mentioned earlier, some 60 amendments on the floor, open-ended debate. There were only one or two examples where a supermajority was required. There was only one tabling motion, I believe, of any of those amendments.

A significant number of amendments were adopted that were offered by the minority to this bill, as well as amendments that were offered on a bipartisan basis. In fact, of the 60 amendments that were adopted in the consideration of this bill, 30 of them, one-half, came from the minority as well as a bipartisan combination of amendments that were offered by both a Democrat and Republican together.

So one-half of the product that was adopted on the floor of this Chamber is a reflection of the work of Members from both sides of that political spectrum. And while Members may not want to crow about that, I do, because I think it is a reflection of the determination to make sure that this bill would be available for amendment and consideration.

No one is guaranteed success with their ideas, but you ought to be guaranteed an opportunity to be heard, and what we did in the consideration of this bill is provide that guarantee, and far beyond the guarantee. As I said, one-half of all the amendments adopted over 4 weeks were successfully offered by the minority or on a bipartisan basis, Democrats and Republicans. So the process has been an open one, one in which regardless of whether you like or support the bill, I would hope it would become an example of how the Senate can conduct its business on a major legislative proposal.

Today and tomorrow, the Senate of the United States will have the opportunity to bring some closure to one of the most challenging times in our recent history with the passage of comprehensive financial reform. This bill was not written to reshape our economy, the most powerful economy the world has ever known. Nor was it written to hinder innovation in our financial sector, the spirit of creativity and entrepreneurship that has made our economy the envy of the developed

world, still is strong and vibrant, and I think enhanced by what we have done with this legislation.

As tempting as it would be to let the cries of protest from the worst offenders of the large financial institutions serve as an argument for passage, this bill was not written to punish Wall Street, despite the desires of many.

Our reform legislation does not have an agenda of its own. I would like to point out what we are trying to achieve with this legislation. Here you can see on the graph behind me—I will have several graphs to point to people—our job was—and you can look at various orders of matters on the graph—to end bailouts and too big to fail. Maybe more so than any other issue, this one is an issue which Members of the body were joined together in a common cause that never again did we want to see a bailout of a financial institution at the expense of the American taxpayer. So our first goal, in my view, was to end too big to fail and to end these bailouts.

Another is to grow jobs and create wealth. Obviously, you cannot without a vibrant financial services sector where credit becomes available, whether it is a small bank in Alaska or Connecticut, where credit can flow, capital can move, so businesses can grow and jobs can be created. And while this is not a jobs bill per se, in the absence of doing what we are doing, the idea of talking about long-term growth in our country without reforming the financial institutions would be a pipedream, in my view. So this legislation has as its goal to help create job growth in our Nation.

We want to empower consumers and investors. I will get into this in more detail, but the idea that there is someplace in our Nation where a group of people get up in the morning, not as a second or third afterthought, worrying about what happens to the consumer of financial institutions, whether it be a credit card, a student loan, a home mortgage, a car loan, whatever, an insurance policy—when you get up that morning, your primary obligation is to make sure that average consumer in this country who needs and depends every day on financial services will have someone watching out for them, to see to it that they are not going to be abused, defrauded, and taken advantage of. For the very first time in our Nation's history, we will have such a place because of this legislation. It is not perfect. It is not exactly what everyone was looking for. But I think allowing an agency like this, a bureau, to exist that will be able to focus its attention on that concern is a major contribution to this legislation.

Fourth, we have here the issue of putting tools in place to avoid these problems from growing as large as they did. One thing I think is very important to say about this bill. There is nothing in this legislation that will stop another economic crisis. It would be ludicrous to suggest we have. There

will be other economic crises. The question we ought to be asking ourselves is, If there is one, can we minimize the effect of it or do we have a situation where a relatively small crisis can metastasize, much as a cancer might, across the economic spectrum in such a way that we find ourselves with job losses, foreclosures, and the like, that we have gone through?

We provided in the bill the tools to see to it that our regulatory agencies and others will have the capacity and the ability to identify, to spot early on problems that emerge both here at home and around the world. And I emphasize "around the world" because we have all painfully learned in the last number of weeks and months that a financial problem in a relatively small country some 10,000 or 12,000 miles from here can pose problems right in our own backyard. I speak, obviously, of the difficulties occurring in Greece and Europe as well. So it is very important that we have the capacity and the tools to address financial crises when they happen, as certainly they will.

Then lastly, of course, in this bill we rein in what we call the Wall Street enlarged bonuses that have so angered the American public, where people, even last year, in the midst of all this crisis and hardship—\$20 billion was handed out in bonuses in the major financial institutions in our country. Again, I believe people who do good work and work hard ought to be rewarded. But how do you explain to the person who lost their job, their home, their retirement, their ability to educate their children, that an institution that brought this country to near collapse is rewarding its members with bonuses of \$20 billion? So our legislation gives shareholders and others the opportunity in corporations to decide what those remunerations ought to be, as they should as the owners of these businesses. It is not a radical idea. In fact, it is radical not to allow people who ultimately are the owners of these businesses, as well as those whose hard-earned money gets invested, to have some say in all of this.

So our proposal before you is a comprehensive solution. It is not encompassing. There are obviously areas we did not deal with for reasons I will address momentarily. But it is a comprehensive solution to a very complicated set of problems.

This bill is a response to the failure of our financial regulatory system to protect ordinary families from the consequences of others' bad decisions. This legislation is the change I think the American people deserve after all they have lost and been through.

The effects of the crisis on our financial system are being felt all around us, and they will continue to be felt for some time, even with the adoption of this legislation. I have repeated these statistics, I know, over and over, and I will try to do this briefly, but it is important once again that we understand the impact of what has occurred.

Sometimes, just by saying the numbers we dilute the influence or importance of it.

Mr. President, 8.5 million of our fellow citizens have lost their jobs in this economic crisis. Our unemployment rate is dangerously close to double digits. The fact is, it hovers near 20 and 30 percent with lower income people. If you are making \$30,000 to \$40,000 a year, the unemployment rate is triple that number of 9.5 percent or 10 percent. If you are making more than \$75,000 or \$80,000 a year—and many do—the unemployment rate is about 4.5 percent or 5 percent. So when you talk about a 9.5 percent or 10 percent number, that is overall, but within income groups, the number is much higher among lower income workers and working families than it is for the national average. So the job loss has been significant.

I wish there were some way to convey the sense of loss this is for all of us, not just for those who lose their jobs, but what it means to our confidence and our trust and our optimism as a people is far beyond the cost of some financial impact. Again, these numbers hardly reflect the damage done to our country.

Mr. President, 7 million people in our country have lost their homes or entered foreclosure, and millions more are teetering on the brink of foreclosure. Again, I say in this area, for those of us who serve here, obviously, the idea of foreclosure is about as remote as anything we could think of. We are well compensated as Members of the Senate to be in this Chamber. But that notion of having to go home to your family because of a job loss, because of a bad mortgage—one you got into that you could not afford—all of a sudden having to let your family know that the home we live in, we dreamed about, that we got so excited about acquiring, no longer is ours; we have to move; we have to leave—again, I do not know if you could begin to explain or describe what that means to an individual, to a family, to be through that.

So the 8.5 million jobs, the 14.5 million unemployed citizens in our Nation—a 55-percent increase, by the way, since the crisis began—again, the number I have mentioned to you of 9.5 percent of unemployment—I mentioned the 7 million homes that have been in foreclosure since the housing crisis began. In the first quarter of 2010, half of the States saw an increase in the rate of homes entering foreclosure as opposed to a year ago.

So while we are on the brink, I hope, of passing this bill, let there be no doubt or illusions—that problems persist and this bill does not bring your home back. It does not bring a job back for you in the morning. It does not restore your retirement account. But hopefully it will see to it that we never have to see our country go through these kinds of difficulties again.

We have lost dozens of community banks over the last several years.

Thousands of small businesses have had to close their doors. Trillions of dollars in retirement savings and household wealth have evaporated as well.

Let me again just go through some of those numbers for you. The impact of the crisis on community banks: 90 banks in 2010 with assets totalling \$75 billion through July 9 of this year have closed their doors, and 89 of the 90, by the way, held assets of less than \$10 billion. These are small community banks that have had to close their doors as a result of the crisis. In 2009, there were 140 banks in our country with assets of \$170 billion that also closed their doors, and 135 of the 140 that closed their doors had assets of less than \$10 billion. So again, we have seen over the last 2 years the number here approaching 250 banks, the overwhelming majority being small banks.

The FDIC, the Federal Deposit Insurance Corporation, has on its watch list of institutions 700 banks that are shaky. Again, saying they are shaky does not mean they are about to close their doors. But there is a watch list that the FDIC pursues. Again, I would love to tell you that the passage of this bill is going to stop all of that from happening immediately. It does not. But it certainly minimizes the possibility of ever watching that happen again as a result of the circumstances we have been through.

Our work continued as Democrats and Republicans in the committee worked to put together a framework as far back as November. In fact, it goes back and predates earlier. But last November, my colleague from Alabama, the former chairman of the committee, Senator SHELBY, announced—and I believe he was correct—that we had gotten about 80 percent of the way to a bipartisan consensus on this legislation. That is about where it ended, I guess, but nonetheless this bill does reflect at least strong measures in here that were crafted on a bipartisan basis.

On the Senate floor, we debated the bill for 4 weeks, carefully considering the ideas and concerns of our colleagues. Some 32 amendments were offered either by the minority or together with a Democratic and Republican author, of the 60 amendments. Half of the additions that were made to the bill over 4 weeks came from the minority, either alone or working with a majority member.

Then, for the first time in recent memory, we broadcast every minute of the almost 70 hours of the conference committee between the other body, the House of Representatives, and the U.S. Senate. This conference committee was on C-SPAN. There were no backroom deals because there was not a back room. Everything was done—all—every minute of that conference was reported to the American public—in fact, beyond. C-SPAN, picked up by satellite, was available literally around the world to monitor the events in the conference committee. We approved an ad-

ditional 14 amendments by my Republican colleagues during the conference. We worked out our differences with colleagues in the House and produced a finished conference report that we have before us today.

So, again, this chart behind me reflects those efforts.

As I mentioned, in the conference committee we held eight public meetings over 2 weeks, for almost 70 hours, where the 42 of us gathered to resolve the differences between these two bills. We approved some 32 amendments in the conference committee. There were 79 votes held. Of the 32 amendments that were approved by the conference committee, 14 came from our Republican colleagues and 18 came from our Democratic colleagues. Almost an equal number were adopted offered by both the minority and majority in conference.

Again, almost an equal number were adopted here on the floor of the Senate. Of the 60 amendments we debated here, 32 were, again, either minority amendments or done in conjunction with a Democratic colleague. We held some 39 rollcall votes on the floor of this body to consider the bill over the 4 weeks we debated the legislation.

I do not want to dwell on all of that, but I think it is important because, as I pointed out earlier, we went through a health care debate. I was very involved in that because of the tragedy, the loss of my great pal and friend from Massachusetts, Senator Kennedy, who chaired the HELP Committee. With his illness, I was asked to take over the acting chairmanship of that committee. We all know what a painful process it was to come to a conclusion on the health care debate. Again, I regret, I am sorry it went through that process—not exactly a textbook version of how a bill ought to become law—but nonetheless an important contribution to our country.

This bill, by contrast, is a model in many ways of how a bill ought to become law. We did it under an open process. We had a conference that was open, amendments were offered, and Members could be heard. I am not suggesting that is a reason solely for someone to support this bill or oppose it, but I do think it is important in how this body conducts its business as a model of what can be done to restore some civility to a process that is sorely lacking in it on too many occasions as we try to resolve the matters that our constituents have sent us here to work out.

So I talk about the number of votes cast, the time spent, the openness of the process because it ought to be rewarded to some degree. If, in fact, there is no different conclusion, the same roadblocks are offered, and whether or not we have a closed process much as the health care debate was, or as open a process as the financial services bill was, and at the end of the day you are still faced with the same obstruction in trying to pass a

bill, why would you bother going through all of this? It seems to me there ought to be a reward for a process that is as involved and as inclusive as this one has been.

So throughout this debate we have heard the same arguments, of course, coming from the opposers of this legislation: Slow down. Don't overreach. Let's let the market work things out. Let's wait for another day and start over. I keep hearing that argument over and over, and as infuriating as that can be to hear from some of the very same people who caused this mess to begin with, we have taken great pains to listen to all sides and included their ideas and proposals in this conference report that is before us. What we haven't heard is an alternative plan to fix the gaping loopholes in our system. Indeed, the alternative is to maintain the status quo. That is all I can conclude because there is no other option, nor has there been placed on the table, that which allowed this process to happen. A status quo that was dangerous 2 years ago, it is even more so tonight.

If we let this opportunity to reform our financial system go by, we will find ourselves, tragically, someday far too soon, in an even deeper hole financially, facing even more of a mess, and needing to write an even bigger bill to clean it up. I would predict that another generation or two would pass before such another historic effort as we have crafted here would come before this body if we fail to accomplish what is before us tomorrow. We cannot afford to let that happen. We must not let that happen. This is truly a strong and historic piece of legislation. It puts a permanent end to too big to fail, to taxpayer bailouts—gone.

Allow me to remind my colleagues of what is in this historic bill, along with the too-big-to-fail concept and ending the bailouts that have too often persisted in the past. Wall Street firms understand if they gamble with their own risks, it is one thing. Gambling with others is a flaw that we will not tolerate. The American people deserve this assurance, and we provide it in this bill. They were put on the hook, of course, for an unprecedented emergency action that we had to take to save our economy from completely collapsing. They were and still are angry that they had to pay for the greed and recklessness of others, and they were and are still today even angrier that their generosity didn't seem to motivate Wall Street to change its culture, as banks continue to lavish large bonuses on executives while Main Street Americans lost their homes, their jobs, their retirement, and their wealth.

As I mentioned earlier, this bill creates a consumer protection agency with authority and independence. It ends too big to fail; it establishes an advanced warning system for financial threats; and it provides new transparency and accountability for derivatives and other exotic financial instruments. It makes public companies and

executives more accountable to their shareholders, and it gives regulators powerful authorities to protect investors and depositors. This legislation, I say to Wall Street, with its outright ban on any future too-big-to-fail bailouts, is the other shoe dropping.

Our bill also establishes, as I mentioned, a consumer financial protection bureau, the very first-of-its-kind watchdog. It will have one job and one job only; that is, to protect and empower American consumers and their financial decisions. American families shouldn't have to have an advanced business degree to plan for their financial future, and they shouldn't have the fear that they will get ripped off by a shady lender or a scam artist as too often has been the case.

For too long they have been on their own because the seven different agencies that were supposed to be looking out for them were distracted by their other sometimes conflicting missions.

Americans need to know this new consumer protection bureau would not make decisions for them. The new bureau will make sure consumers have the information they need to make good decisions about their home mortgages, their student loans, their home equity loans, their credit cards, and other financial matters. It will protect them from being trapped by unfair or deceptive or abusive lending practices, and if they do encounter a problem, there is a single toll-free number to call and get help.

By the way, let me just add to this last point about consumer protection: I have heard some Members suggest we don't deal with underwriting standards for home mortgages. I am looking to staff here, but I think there are some 40, 50, 60 pages of this bill, pages and pages alone dedicated to underwriting standards when it comes to residential mortgages. We spent a great deal of time in seeing to it that no longer would we have these no-doc loans, no requirements, no information, nothing at all that too often led to the financial difficulties we are in.

I urge my colleagues and others to read the bill or read the sections. There is a whole area of this bill, a significant part of it, dealing with underwriting standards for residential mortgages.

This bill will provide an early warning system to sound the alarm should large institutions or new financial products or practices threaten the stability of our financial system. Most Americans were completely unfamiliar with innovative financial instruments such as credit default swaps and mortgage-backed securities until those very instruments sparked a crisis that put millions of people out of work. I noted with some interest just yesterday, I believe it was, that the former Secretary of the Treasury, Hank Paulson—I don't want to exaggerate his comments, but I think I concluded that he thought this bill was a good bill. He identified specifically this early warning system

in our legislation as one of the important provisions that had not existed earlier on, not just last year but going back to 2004, 2005, as he rightly points out, when the problems began to emerge, that this problem that we have gone through never would have happened to the extent it has.

So one of the highlights of this bill is that we have far more than just one set of eyes now looking over the landscape both at home and abroad, including State regulators who I think can bring a valuable contribution to the oversight responsibilities when it comes to determining whether institutions themselves or product lines or practices are so risky that they endanger our financial system. Then they have the power to respond to that as well, to see to it that those practices can be brought to a stop before they cause the problems that the last crisis did in so many other areas of our economy.

Our legislation contains strong provisions that bring the \$600 trillion derivative market out of the shadows and into the sunlight. Let me repeat that number. This is an area where we went from \$60 billion, I think it was—a \$60 billion to \$90 billion industry of the derivatives market to \$600 trillion—that is with a "t"—globally, just a massive market, operating in the shadows. Again, our legislation shines the bright light of sunshine on these transactions so we have far more transparency in this area.

Let me quickly point out that there is absolutely nothing inherently wrong with derivatives. In fact, quite the contrary. Derivatives are vitally important if utilized properly in terms of wealth creation and growing an economy. But what was once a way for companies to hedge against sudden price shocks has become a profit center in and of itself, and it can be a dangerous one as well, when dealers and other large market participants don't hold enough capital to back up their risky bets and regulators don't have information about where the risks lie. AIG was the classic example, of course, where that happened.

Derivatives should help companies manage their risks. That is why they are valued, so they can continue to grow their businesses, hire workers, and improve the quality of our economy. But during this crisis, panic and confusion in the derivatives market led to job losses. Derivatives traders lost sight of the impact their actions were having on the real economy in our Nation.

With this bill, companies can continue, obviously, to use derivatives to hedge their commercial risks, but they must do so in a much safer and transparent way that would not put our whole financial system at risk.

Meanwhile, of course, this bill includes reforms to executive compensation and corporate governance that will make corporate executives more accountable to the owners of their businesses—the shareholders in these

companies—and new protections for investors.

Despite the wild protestations of some on Wall Street who, given their actions in the lead-up to this crisis, have little standing to lecture us about keeping our financial system healthy, this bill is good for the financial sector as well. Our bill rewards creativity and innovation without the pressure to take outrageous risks or to deal unfairly with consumers. Honest firms can focus on competing for business by serving their customers better, and for community banks reform means stronger core funding, fair deposit insurance premiums, a stronger insurance fund, and a far more level playing field. These banks will get to keep their Federal regulator, and they would not be charged assessments by the new consumer protection bureau.

For retailers, this reform bill means freedom from inflated interchange fees and for consumers. I wish to thank RICHARD DURBIN, our colleague from Illinois, the majority whip, whose insistence on this language in the bill provoked significant debate and discussion. I didn't mention him earlier, but I wish to thank Senator DURBIN for his involvement, and I thank retailers and others across the country who strongly supported this provision in this bill. Fifteen million retailers today will be able to earn more and charge their customers less because of these provisions in the bill.

For seniors and veterans and minorities, reform means protections against some of the most hideous scams targeted at these populations in our country. Again, I point out—I don't know if we have this up, but here was the headline in the Wall Street Journal the other day: "Big Win for Small Banks in Overhaul." That certainly is the case. There are 8,000 of them in this country. The Independent Community Bankers Association, while not endorsing the whole bill, sent a memorandum to every Member of this body, I think this morning or yesterday afternoon, outlining why the major provisions in this bill are very good for our small banks in this country. I have enumerated just a couple of measures.

Mr. President, I ask unanimous consent to have printed in the RECORD at this juncture the memorandum from the ICBA, if I may.

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

ICBA Commentary

THE GOOD IS OFT INTERRED WITH THEIR BONES

(By Jim MacPhee, Mike Menzies and Sal Marranca)

A tsunami of paper, e-mails and every other form of communication predicting everything from the destruction of community banking to financial Armageddon is washing over bankers nationwide as a result of the House passage of the conference report on Wall Street Reform. Some of this stuff is so extreme it practically implies the end of life as we know it. It has Chicken Little in a full sprint.

Ok, enough already. There is some really bad stuff in the bill. Some of the information soaking bankers about the bad stuff is actually very true and accurate, some of it is exaggerated and a bit of a stretch, and some of it is just downright lies designed to scare the daylights out of community bankers. That is so community bankers will pull Wall Street's chestnuts out of the fire for them. Why do you think it is called the "Wall Street Reform Act"?

Everyone has been made painfully aware of all the evil in the bill. What seems to be lacking is a fair and balanced look at what actually may be some good elements in the bill—if you are a community bank that is. Not much good in there for Wall Street—we freely admit that.

From our personal observations, we know that a fair number of community bankers watch the FOX News Channel. And according to FOX News, it does its best to be "fair and balanced." So, in the interest of "fair and balanced," and because just about everything evil, bad and terrible has been said about the Wall Street Reform Act that can be said, let's at least look into the bill and see if there is anything remotely redeeming for community banks.

Keep in mind that we are not fair and balanced when it comes to the financial services industry. As longtime community bank executives, we freely admit that we are fiercely devoted and passionate about the community banking industry and don't represent nonbank financial firms or Wall Street. So with that disclaimer, let's look at the other side of the coin.

A U.S. Senate Banking Committee summary of provisions in the bill that will benefit community banks might be a good place to start. As already mentioned, while the Wall Street Reform Bill contains some burdensome measures for community banks, particularly those that impose government price controls on debit interchange fees, the legislation also includes many important provisions and exemptions for community banks that ICBA fought for and won. Some of those provisions will directly benefit community banks' bottom lines. Others are designed to buffer community banks from the actions lawmakers were intent on taking to rein in the megabanks and nonbank financial firms.

Among many other measures beneficial to community banks in the bill, four in particular are worth highlighting . . .

**Fairer Deposit Insurance System.** The bill will require the FDIC to assess insurance premiums based on total liabilities, not on domestic deposits. This provision alone will save community banks a total of \$4.5 billion over three years.

**Deposit Insurance Coverage.** The bill will permanently raise the FDIC deposit insurance limit to \$250,000. It will also extend unlimited deposit insurance coverage for non-interest-bearing transaction accounts under the Transaction Account Guarantee program for two years.

**Too-Big-To-Fail Regulations.** To reduce too-big-to-fail funding advantages and systemic risks, the bill will require the largest banks to hold more capital and liquidity reserves. In addition to creating a new systemic-risk council, the bill will put in place new resolution authority to wind down the largest institutions that fail.

**Consumer Financial Protection Bureau Exemptions.** ICBA vigorously and continually opposed the creation of the Consumer Financial Protection Bureau, but the bill offers several important measures to exempt community banks from direct bureau oversight. Most nonbank financial firms, for the first time, will be subject to the same lending rules and standards that community banks

must follow. Banks with up to \$10 billion in assets will continue to be examined for compliance by their current regulator. A measure to give the bureau "backup enforcement" authority over community banks was eliminated.

Significantly, the CFPB will not have authority to impose assessments on community banks to pay for its operations. Also, the bureau will be required to consult with the banking regulators before proposing any rule and during the comment process (ICBA fought hard for these exemptions). In all of its rule making, the bureau also will have to specifically consider the benefits and costs a new consumer-protection rule would have on banks with less than \$10 billion in assets, and to rural bank customers. Before proposing any rule that would significantly affect community banks, the bureau must convene a panel to gather input directly from community banks.

Now if this bill is defeated all the bad stuff will just come back like a bad habit, but all the good stuff listed above goes away—likely for good. As Mark Antony said at Caesar's funeral, "the evil that men do lives after them; the good is oft interred with their bones." In the context of Wall Street Reform, Mark Antony is saying that if the bill goes down the bad stuff in the bill will live on in many, many different forms, but the good stuff for community banks in this Act will be buried with it. Through the ages Shakespeare's wisdom has been proven time and again.

At the end of the day, each community banker will have his or her own view of this bill. And that view will be shaped by his or her own circumstances, and that is as it should be. As your elected ICBA executive committee members, we will always ensure that ICBA stays true to its mission to represent the best interests of community banks at all times and flier. We hope this commentary gives you at least a glimpse of the other side of this issue.

Mr. DODD. Mr. President, the ICBA memorandum highlights all of the things done in this bill that warrant the headline in the Wall Street Journal about how the overwhelming majority of the 8,000 small banks in this country do well under this bill. I thank the ICBA for stepping up and making that case for us. The American Bankers Association had been vehemently opposed to this legislation and tried to convince people they represented all banks in the country. The ICBA took great offense at this suggestion and hence the memo sent around to all Members.

I wish to thank other colleagues as well—I didn't mention this earlier—regarding the small business provisions. Particular thanks go to our colleague from Maine, Senator SNOWE, who chairs, along with Senator LANDRIEU, the Small Business Committee. They paid particular attention to how small businesses would be affected by this bill and made a number of suggestions which we adopted as part of the bill on the Senate floor and again preserves them in the conference committee. These are not minor suggestions. They were significant ones and added great value to this bill.

We all talk about small business, but if we are not careful, too often they get lost in the debates around here. Senator SNOWE and other colleagues—I see my colleague from North Carolina,

Senator HAGAN, as well—expressed interest as to what would happen to small banks and small businesses and our desire to reform a system to make sure they were not going to be overly burdened with regulations and other things that would make it difficult for them to operate.

So there are other provisions in here, particularly with regard to consumer protection, where the needs and concerns of small businesses must be addressed before rules are promulgated. That would not have happened except for the contribution of my colleague from Maine.

I would be remiss, as well, if I didn't mention—I didn't discuss it here—the capital requirements in this bill. There was a lot of discussion about that. It was the amendment of SUSAN COLLINS, our colleague from Maine as well, who, along with working with the FDIC and Sheila Bair, came up with a very strong provision in this bill that is a very workable and flexible provision but helps us avoid one of the major problems that contributed to this crisis, which is the capital standards that raised the risks and caused so many of our institutions to get into the trouble they were in. Senator COLLINS made other suggestions to the bill that were important as well. But I think those particularly dealing with capital standards contributed very much to this, and I am grateful to her, as well as her colleague from Maine, Senator SNOWE, for her contributions.

I mentioned earlier we talked about trying to get this right on the question of proprietary trading, the so-called Volcker rule that was raised by the former chairman of the Federal Reserve Board.

Again, I thank Paul Volcker for his contribution, his tireless effort. He has long since left public life, and he could have sat back and offered general commentary on everything, but he decided, at his young age, to get back involved and engaged in this bill. He made a strong contribution to the concept of proprietary trading, where depositors' money should not be put at risk when banks are making choices that involve risk. It is one thing to risk your own money, but to risk your depositors' money is another matter. But it is more complicated than the two sentences I have just uttered.

I thank SCOTT BROWN of Massachusetts, because this was not merely a parochial interest out of the Commonwealth of Massachusetts. There is the whole issue of the de minimis participation, where banks literally have to hedge to protect depositors' money against interest rates. There are a number of legitimate areas where that is required and necessary. As a result of Senator BROWN's involvement and work, we took note of that, and it reflects his ideas and thoughts in this bill as well. It is a stronger bill as a result of his involvement.

These areas of small business, capital standards, and de minimis participation were all significant contributions

to our legislation. I thank them all for their work. There are many other aspects. I thank Senator LUGAR and BEN CARDIN of Maryland for their proposal dealing with extraction of natural resources, and requiring that companies that are public that do so have to say in their public filings with the SEC how much they are paying the mostly developing countries for the right to extract these natural resources. I am told by those who follow these issues that that provision alone could have a huge impact when it comes to the ability of developing countries to understand what has happened to their natural resources and some of the corruption that exists in their country.

I note the presence of my friend from Minnesota. I mentioned earlier, when he was presiding, his contribution on rating agencies. This was a subject matter we debated and discussed endlessly, trying to figure out how to get greater accountability out of the rating agencies, greater due diligence, so that when the institution or person making the decision to purchase a securitized product that had been rated as AAA, or AA, or B, or whatever that label is on there—for years people have relied on that. You saw that AAA and you didn't have to know much more. It didn't get any better than that.

We learned painfully that those ratings were not based on due diligence by the rating agencies but on the information of those purchasing the ratings from the departments who were relying exclusively on the very entity being rated. In a sense, it was fundamentally false to suggest that the rating agency had drawn the conclusion that a particular product, whether a securitized mortgage or others, was actually of the value that the rating would indicate.

Our colleague from Minnesota, of course, played an important role in suggesting an alternative idea that has been incorporated in the bill. I am deeply grateful to him for his involvement. I mentioned earlier some of the provisions.

JEFF MERKLEY is a member of our committee.

One of my dearest friends during my service here in the Senate is my colleague CARL LEVIN. We don't serve on committees together. He is chairman of the Armed Services Committee and also chairman of the Government Operations Committee—the names change; I still believe that is the name of the committee—which has broad jurisdiction, but he held a critical hearing days before we brought this bill to the floor of the Senate, highlighting many of the problems that have persisted in the financial services sector. Working with our colleague from Oregon, Senator MERKLEY, Senator LEVIN and he crafted a proposal to deal with proprietary trading—the Volcker rule, which I mentioned a moment ago. It was due to their involvement that those ideas were incorporated into the bill.

When you have a 2,500-page product—I see my colleague from Michigan; I

didn't know he was here. I thank him for what he did in this bill. I have spent a lot of time here, but I suspect that over the next 24 hours or so there will be more discussion about it.

Again, I have been asked: Do you disagree with anything in the bill? Of course I do. This is a bill crafted by a committee, working with our colleagues in this Chamber, and with the 435 others in the other Chamber, working with the White House, the regulators, and the stakeholders in trying to fashion a bill that would reform our financial system. I wrote a bill back in November that I would have preferred. But you don't get to write your own bill. You can do that, but that may be where it begins and ends. We serve in a legislative body, so it takes compromise and working together to try to achieve the best results we can, recognizing that, in the end, you have to produce the votes. A good idea that doesn't have the votes is just that—an idea. But we bear responsibility of more than just coming up with ideas. The American public expects nothing less of us than to fashion proposals that will minimize great risks to them. None of us lost a job or a home in the last 2 years. None of us has watched our retirement account evaporate overnight. None of us will worry whether our children can get a higher education. That all happened to the people we represent across the country. They are asking that we do our best. They don't ask for perfection. They know we have not solved every problem, and that we are not going to bring back their homes and their jobs; but they expect us to respond to the situation that brought us to the brink of financial disaster. This is our best effort to do so. It is not perfect, I know that. It is not exactly what I would write on my own, nor is it what anybody else would have written. But it is our best judgment on what we can do.

We won't know the full results of what we have done until the very institutions we have created, the regulations we have suggested and provided for are actually tested. We can't legislate wisdom or passion. We cannot legislate competency. All we can do is create the structures and hope that good people will be appointed who will attract other good people—people who will make careers and listen and see to it that never again do we go through what we have been through. That is not our job. Ultimately, that is dependent upon what happens after this bill becomes law—if it does. We need to see to it that the human leadership that makes up these bodies who will be responsible for regulating the activities in these financial areas does its job. None of us has the power to guarantee that. All we can do is provide them with the tools and the structure and the architecture that will allow them to do that job well. We have done our best to provide those very tools, and that structure, and that architecture, in a complicated time—in the midst of

understandable anger and frustration. I cannot legislate anger and frustration. That is not our job here. As angry as we are, as mad as we may be at institutions and individuals, that cannot be our motivation in crafting the legislation that the American people expect.

Many have endorsed this bill, but not because they love every aspect of it. I am grateful to Sheila Bair at FDIC. She has been stalwart in her effort to seeing to it that consumers, small banks, and others would survive and do better. I am grateful to her and the staff of the FDIC.

I am grateful to Tim Geithner and the Treasury folks, who have done a great job working our way through technical matters and the like, so we can understand the implications of various ideas to get the job done.

I am grateful to the National Credit Union Administration's chairman, Mr. Matz, who was helpful in putting this bill together.

I mentioned the ICBA, the independent community banks, and their importance as well.

Again, I thank the former Federal Reserve Chairman, Paul Volcker. Also the 20 pension fund managers, including the Connecticut State Treasurer, as well as the CEO of the California State Teachers Retirement System, the Massachusetts Laborers' Benefit Fund, Service Employees International Union, the National Treasury Employees Union, U.S. Public Interest Research Group, National Consumer Law Center, Americans for Financial Reform, Consumer Federation of America, American Association of Retired Persons, the Leadership Conference on Civil and Human Rights, North American Securities Administration, the Institute for College Access and Success—on and on.

I ask unanimous consent that the list of the myriad organizations across this country that endorsed this bill be printed in the RECORD.

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

Federal Deposit Insurance Corporation Chairman Sheila Bair; National Credit Union Administration Chairman Matz; Former Federal Reserve Chairman Paul Volcker; 20 prominent Pension plan managers including the CT State Treasurer and the CEO of the CA State Teachers' Retirement System; Massachusetts Laborers' Benefit Funds; Service Employees International Union (SEIU); National Treasury Employees Union; U.S. Public Interest Research Group (U.S. PIRG); National Consumer Law Center; Americans for Financial Reform; Consumer Federation of America; American Association of Retired Persons (AARP); The Leadership Conference on Civil and Human Rights; North American Securities Administrators Association; The Institute for College Access & Success; National Association of College Stores; National Association of Convenience Stores; National Restaurant Association; National Grocers Association; The Food Marketing Institute; The Merchants Payments Coalition; The Petroleum Marketers Association of American and New England Fuel Institute; and 7-Eleven and its Franchisees.

Mr. DODD. Mr. President, lastly, I think it is worth noting that in all the analysis that we did to root out the cause of the crisis, it was not the American people who were at fault. Their prosperity was built on hard work, entrepreneurship, and creativity. Those qualities are as strong now in the American people as they have ever been. We have seen a pattern of exploitation on the part of some executives and others in the financial sector, and a lack of wisdom on the part of too many Washington regulators. What we have seen is a lack of integrity on the part of some greedy individuals, who sought to get rich by ripping off the American families. What we have seen is a lack of compassion and competence on the part of those who were supposed to be watching out for the interests of consumers and investments.

As a result, there has been a deficit of trust in our markets, foresight in our regulatory system, and confidence in our economy.

The challenge we have faced all along is how do you restore those things? How do we restore trust? I can't put a number on that for you. I can't tell you the financial implications of the absence of trust or a diminution of it. How do we bring back confidence and optimism, which has been the hallmark of our Nation, even through the most difficult of times? You can't legislate trust or confidence or optimism. As I said, you cannot legislate wisdom or integrity, and we have not sought to do so in this bill.

There is nothing I or any other legislator or Senator can do to stop a banker from making a bad decision or a trader for putting profit over principle. Our system will always depend, in part, on human beings. So it will always include human error.

But our system also depends on institutions and those we can do something about. That is what this effort is all about. We can strengthen them to make our financial system more resilient to the shocks that occur and make our economy as a whole less vulnerable to the effects of those shocks.

If you ever played a board game called Jenga with your kids, it involves stacking a series of oddly shaped blocks, one on top of the other. But because the foundation on which the first block is laid never grows any broader, there is only one way to build, and that is up. As you build, the stack becomes more and more unstable, until someone places one fateful block in the wrong spot and the entire structure comes crashing down.

By allowing banks to shop for the most lenient regulators, in a similar fashion, by failing to put a strong cop on the consumer protection beat, by leaving the door open to taxpayer bailouts, we were building our wealth on a narrow and unstable Jenga foundation.

Yet by putting in place strong, clear rules, by giving regulators both the authority and the responsibility to enforce those rules, we can make our

structures safer to invest in, safer to start a business in, and safer to participate in the economy of our Nation.

In short, this legislative proposal insists that we rebuild the foundation of our prosperity and, thus, restore the trust that allows us to prosper as a great nation.

This is one of my last acts as a Member of this body, in the legislative context. I am very proud of my colleagues and of this bill. I am proud of the work we have done over the past several years to make it as strong as we possibly could.

I thank my staff as well: Amy Friend sits next to me, our legislative counsel. I also thank Ed Silverman, the staff director. I also thank Jonathan Miller, Dean Shahinian, Julie Chon, Charles Yi, Marc Jarsulic, Lynsey Graham Rea, Catherine Galicia, Matthew Green, Deborah Katz, Mark Jickling, Donna Nordenberg, Levon Bagramian, Brian Filipowich, Drew Colbert, Misha Mintz-Roth, Lisa Frumin, William Fields, Devin Hartley, Beth Cooper, Colin McGinnis, Neal Orringer, Kirstin Brost, Peter Bondi, Sean Oblack, Erika Lee, Abigail Dosoretz, Robert Courtney, Caroline Cook, Joslyn Hemler, Dawn Ratliff, and all of their families.

I thank our legislative counsels: Laura Ayoud, Rob Grant, Allison Wright, and Kim Albrecht Taylor.

I want to thank the Democratic floor staff: Lula Davis, Tim Mitchell, Tricia Engle, and Meredith Melody.

These are remarkable people whose names will never enjoy the spotlight or get notoriety, but day in and day out and over weekends and around the clock, they made all the difference in seeing to it that we arrived at this moment. There are Democrats and Republicans and people who work off the Hill who contributed as well. There are too many names to mention.

I thank Chairman FRANK and DICK SHELBY, my Republican colleague, as well as BLANCHE LINCOLN, who did such a great job along the way. It is a moment of some pride as well as success that we have come this far.

I ask unanimous consent that a list of staff on both sides of the Capitol be printed in the RECORD.

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

#### HOUSE FINANCIAL SERVICES COMMITTEE

Jeanne Roslanowick, Michael Beresik, David Smith, Adrienne Threatt, Andrew Miller, Daniel Meade, Katheryn Rosen, Kate Marks, Kellie Larkin, Tom Glassic, Rick Maurano, Tom Duncan, Gail Laster, Scott Olson, Lawranne Stewart, Jeff Riley, Steve Hall, Erika Jeffers, Bill Zavarello, Steve Adamske, Elizabeth Esfahani, Daniel McGlinchey, Dennis Shaul, Jim Segal, Brendan Woodbury, Patty Lord, Lois Richerson, Jean Carroll, Kirk Schwarzbach, Marcos Manosalvas, Marcus Goodman, Garrett Rose, Todd Harper, Kathleen Melody, Jason Pitcock, Charla Ouertatani, Amanda Fischer, Keo Chea, Sanders Adu, Hilary West, Flavio Cumpiano, Karl Haddeland, Glen Sears, Stephane LeBouder.

OFFICE OF REPRESENTATIVE CAROLYN MALONEY  
Kristin Richardson.

OFFICE OF REPRESENTATIVE GREGORY MEEKS  
Milan Dalal.

OFFICE OF REPRESENTATIVE MARY JO KILROY  
Noah Cuttler.

OFFICE OF REPRESENTATIVE GARY PETERS  
Jonathan Smith.

HOUSE AGRICULTURE COMMITTEE  
Clark Ogilvie.

HOUSE BUDGET COMMITTEE  
Greg Waring.

HOUSE ENERGY AND COMMERCE COMMITTEE  
Phil Barnett, Michelle Ash, Anna Laitin.

HOUSE JUDICIARY COMMITTEE  
George Slover.

HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE  
Mark Stephenson, Adam Miles.

HOUSE LEGISLATIVE COUNSEL  
Jim Wert, Marshall Barksdale, Brady Young, Jim Grossman.

SENATE BANKING COMMITTEE

Ed Silverman, Amy Friend, Jonathan Miller, Dean Shahinian, Julie Chon, Charles Yi, Marc Jarsulic, Lynsey Graham Rea, Catherine Galicia, Matthew Green, Deborah Katz, Mark Jickling, Donna Nordenberg, Levon Bagramian, Brian Filipowich, Drew Colbert, Misha Mintz-Roth, Lisa Frumin, William Fields, Beth Cooper, Colin McGinnis, Neal Orringer, Kirstin Brost, Peter Bondi, Sean Oblack, Steve Gerenscer, Dawn Ratliff, Erika Lee, Joslyn Hemler, Caroline Cook, Robert Courtney, Abigail Dosoretz.

#### SENATE AGRICULTURE COMMITTEE

Robert Holifield, Brian Baenig, Julie Anna Potts, Pat McCarty, George Wilder, Matt Dunn, Elizabeth Ritter, Stephanie Mercier, Anna Taylor, Cory Claussen.

#### SENATE LEGISLATIVE COUNSEL

Rob Grant, Alison Wright, Kim Albrecht-Taylor, Colin Campbell, Laura McNulty Ayoud.

#### CONGRESSIONAL RESEARCH SERVICE

Baird Webel.

Mr. DODD. The final result depends on the votes of my colleagues and whether they decide it is better for us to move forward with these reforms as we have crafted them or to do nothing, in effect, and say that after all this time and effort, we have nothing to say about what brought us to this situation.

I have taken a long time. I apologize to my colleagues who want to be heard on this matter. I will be here all day tomorrow to listen to the debates and thoughts as we go forward. This is a moment in which we can take great pride as an institution, both in terms of what we produced and how we produced it. For that, I am deeply grateful to the membership of this institution.

The PRESIDING OFFICER. The Senator from North Carolina.

Mrs. HAGAN. Mr. President, before I begin, I congratulate Senator DODD for all of the extremely hard work he has done on Wall Street reform. We are certainly pleased that we are at this point in time.

#### UNANIMOUS CONSENT REQUEST— EXECUTIVE CALENDAR

Mrs. HAGAN. Mr. President, I come to the Senate floor this afternoon to

discuss two nominees for the Fourth Circuit Court of Appeals—Judges Jim Wynn and Albert Diaz.

When I came to the Senate, I had high hopes of increasing the number of North Carolinians on the court. North Carolina is the fastest growing and largest State served by the Fourth Circuit. Yet only 1 of the 15 seats is filled by the abundant talent from our State, and over the past century North Carolina has had fewer total judges on the court than any other State.

Furthermore, there have been inexcusable vacancies on this court throughout history. Given that the U.S. Supreme Court only reviews 1 percent of the cases it receives, the Fourth Circuit is the last stop for almost all Federal cases in the region. We must bring this court back to its full strength. Since 1990, when this court was granted 15 seats, it has never had 15 active judges.

Judge Wynn brings decades of judicial experience to the bench. He has served on the North Carolina Court of Appeals since 1990 and had a brief tenure on the State supreme court. He has been the chair of the bar association's Judges Advisory Committee on Ethics.

Additionally, Judge Wynn has served on Active and Reserve Duty in the Navy for 30 years and was a certified military trial judge. He has been honored for his extraordinary service several times, including three Meritorious Service Medals.

Judge Diaz has served since 2005 as one of North Carolina's three business court judges. Prior to that, Judge Diaz was a judge on the State superior court for nearly 4 years.

As a business court judge, Judge Diaz has handled complex business cases. He started as a lawyer in the U.S. Marine Corps, was an appellate counsel in the Navy's Office of the Judge Advocate General and has been a judge in the Marine Corps Reserves.

Judge Diaz also has extensive experience in business litigation and has served on the State Judicial Council which advises the State supreme court's chief justice on ways to improve the courts. He is a graduate of New York University Law School, with a graduate degree in business from Boston University and undergraduate degree in business from the University of Pennsylvania.

I note that both judges have received unanimous ratings of well qualified from the American Bar Association.

Additionally, both men's confirmation to this Federal bench will be historically significant, as Judge Diaz will be the first Latin American on the Fourth Circuit and Judge Wynn will be the fourth African American to ever serve on this bench.

These fine men have the support of both myself and my colleague from North Carolina, Senator BURR. Editorials and newspapers throughout North Carolina have praised these nominations and have urged their swift confirmation. The Charlotte Observer

said Judges Wynn and Diaz are "widely regarded as intelligent, ethical judges who have won respect for their judicial and military careers. They are the kind of judges the federal bench needs . . . Their quality is so unquestioned that only partisanship could stall their nominations."

Unfortunately, I worry that is what is happening. Both Judge Wynn and Judge Diaz were approved by the Senate Judiciary Committee on January 28—Judge Diaz unanimously and Judge Wynn with only one dissenting vote. But for over 5 months now, the nominations have languished on the calendar. It is past time that these two fine judges be confirmed to the Fourth Circuit.

Mr. President, as in executive session, I ask unanimous consent that at a time to be determined by the majority leader, following consultation with the Republican leader, the Senate proceed to executive session and consider en bloc the following nominations on the Executive Calendar: Calendar No. 656, Albert Diaz, to be a U.S. Circuit Judge for the Fourth Circuit, and Calendar No. 657, James Wynn, to be a U.S. Circuit Judge for the Fourth Circuit; that the nominations be debated concurrently for up to 3 hours, with the time equally divided and controlled between Senators LEAHY and SESSIONS or their designees; that upon the use or yielding back of time, the Senate proceed to vote on confirmation of the nominations in the order listed; that upon confirmation, the motions to reconsider be considered made and laid upon the table en bloc, the President be immediately notified of the Senate's action, and the Senate resume legislative session.

The PRESIDING OFFICER. Is there objection?

Mr. MCCONNELL. Mr. President, reserving the right to object, and I will be objecting.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, I appreciate the perspective of the junior Senator from North Carolina, but my perspective on the Fourth Circuit covers a little longer period of time.

I advise my friend that for the last Congress of the Bush administration, the Democratic majority only confirmed one nominee to the Fourth Circuit. As a result, the circuit was fully one-third vacant with five vacancies when President Bush left office.

These vacancies were not due to President Bush's failure to nominate several qualified candidates. As a result, my Democratic friends had to resort to creative reasons to justify keeping these seats open.

To give an example, the Fourth Circuit seat from Maryland was kept vacant for the entirety of the Bush administration—8 years. The last nominee for that seat the Democrats objected to was a fellow named Rod Rosenstein. Nobody could reasonably contest his credentials, so my Demo-

cratic colleagues turned his virtues into a vice, saying he was doing too good a job as U.S. attorney in Maryland to be promoted to the circuit court.

Despite the unfair treatment that Mr. Rosenstein received, many Senate Republicans in this Congress, including myself, supported President Obama's nominee to this seat, Andre Davis.

Also in this Congress, Republicans, including myself, supported the confirmation of Barbara Keenen of Virginia to the Fourth Circuit. With her confirmation, the Senate has confirmed twice as many nominees to the Fourth Circuit as occurred during the entire last Congress of the Bush administration when Democrats controlled the Senate.

With respect to the vacancies from North Carolina, President Bush put up a nominee who satisfied all of Chairman LEAHY's criteria for confirmation—Judge Robert Conrad. Judge Conrad had the strong support of his home State Senators. He received the blessing of the ABA, the Democrat's so-called gold standard, and he would fill a judicial emergency. Yet Judge Conrad could not even get so much as a hearing.

In fact, the Senate has been processing President Obama's judicial nominees, both district and circuit court nominees, faster than it processed President Bush's judicial nominees.

How has the President responded to our efforts to work in good faith? He recess appointed Donald Berwick before the Finance Committee could even schedule a hearing on him, and despite the fact that Republicans on that committee requested that a hearing be scheduled on his nomination.

Let me give my colleagues a brief timeline of the nomination of Donald Berwick.

On April 19, 2010, the President nominated Dr. Berwick to serve as Administrator of the Centers for Medicare and Medicaid Services. Less than 3 months later, and without a Senate Finance Committee hearing taking place, the President recess appointed Dr. Berwick. The reason offered was that the Republicans were blocking this vital appointment, so they could wait no longer to follow the constitutional process of Senate confirmation. Yet this position was vacant for the first 16 months of the Obama administration and has not had a confirmed Administrator since 2006, since my friends on the other side of the aisle were blocking the Bush administration nominee.

Democrats did not schedule so much as a committee hearing for Donald Berwick. The mere possibility of allowing the American people the opportunity to hear what he intends to do with their health care was reason enough for this administration to sneak him through without public scrutiny.

Given the President has been so dismissive of the Senate's right to provide advice and consent under the Constitution, I am not inclined at this

point to consent to the request proposed by my friend from North Carolina. Therefore, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from North Carolina.

Mrs. HAGAN. Mr. President, it is disappointing that we cannot get consent for these judges. Senator RICHARD BURR and I together introduced these two individuals at the Judiciary Committee hearing. I will say that I remain committed to working with my colleagues on both sides of the aisle, as well as any Senator who has concerns over either judge, to working toward a reasonable solution that would allow an up-or-down vote on Judges Wynn and Diaz.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

#### BUDGET DEFICITS

Mr. FRANKEN. Mr. President, I rise today to discuss an incredibly important subject—our Nation's budget deficits. The deficit for fiscal year 2009 was about \$1.4 trillion. The total national debt is now just under \$13.2 trillion. These numbers are staggering and represent a tremendous threat to our Nation.

We have been hearing a lot about these numbers over the last few months from Members on both sides of the aisle. We heard about the economic dangers of running these deficits—the dangers to us, to our children, and to the very future of this Nation.

I share these concerns over the direction of our budget deficits and our rapidly growing debt. I have held these concerns for some time, as a matter of fact. In a New York Times op-ed way back in 1988—22 years ago—I expressed my alarm that we had gone from being the world's largest creditor Nation to its largest debtor Nation. I noted then that the accumulated trade and budget deficits of the Reagan years worked out to about \$20,000 per American family.

What frustrates me is that I have heard these deficit and debt numbers serve as an excuse for not passing an extension of unemployment benefits. We have been unable to get cloture on these extensions, despite spending weeks of the Senate's time on this matter and despite numerous attempts.

Opponents say our deficits must be addressed, our debt cannot grow any larger, we have to draw a line in the sand and insist these benefits be fully paid for.

This is troubling to me for two reasons. First, because these deficits are not new. Many of my colleagues seem to have suddenly become aware of them only a year and a half ago.

More importantly, I am troubled because one of the biggest threats to our

long-term deficits is a double-dip recession and the stunting of our Nation's economic growth. This shortsightedness is not only jeopardizing our short-term economic recovery and our future economic health, it is causing us to abandon the real and urgent needs of families at home and in our States.

Please indulge me as I take a few minutes to take stock of exactly where we find ourselves.

We all know that our unemployment rate has been hovering at about 10 percent, its highest level in over a quarter of a century. There are 14.6 million Americans looking for jobs but unable to find them. Nearly half of these are friends, family, and neighbors who have been out of work for over 6 months, despite sustained efforts to find jobs.

Long-term unemployment is the worst it has been in the 60 years that these statistics have been kept. We have to go back to 1983 to find numbers even half this bad.

The competition for each job is fierce. It is not uncommon for hundreds of people to be fighting for a single job. This chart shows just how hard it is to find work right now. In 2006, there were about 1.5 unemployed workers for each job opening. That number has exploded to five unemployed workers for every opening.

It does not surprise me that countless Americans have given up looking and are not even counted in the bleak unemployment statistics I have been quoting. They have just given up.

I can't imagine many things more demoralizing than not being able to find work, not being able to take care of your family. I have heard the claim from one of my colleagues that unemployment insurance provides an incentive for the millions of unemployed to just sit on their duffs and not look for work. I couldn't disagree more strongly. Unemployment insurance doesn't keep people from working. The lack of jobs keeps people from working.

I have traveled all over Minnesota talking to people who are out of work. I have gone to the Anoka County Workforce Center; I have gone to union halls in Duluth, in Bemidji, in Rochester, and I have met with folks who are literally depressed. These are people who have worked their whole life—guys who started their first paper route when they were 9 years old, who took pride in doing their job, even when it meant going out on a 30-below-zero winter morning in Minnesota, and they have been working ever since. Work is an enormous part of their identity. These Minnesotans don't want an unemployment check, they want work. Still, I have had a number of them come and say to me: You know, if it weren't for my unemployment insurance, I wouldn't be in my house.

One of my constituents wrote to me and said:

I was employed for 23 years since college graduation and now am in need of extended unemployment benefits as the economy

slowly recovers via a "jobless recovery." As a college graduate with an MBA and 23 years of continuous employment at "good jobs," I never imagined even needing basic unemployment. As an active job seeker, I have met hundreds of other job seekers and virtually every one of them wants a job and wants to work.

Now this constituent and thousands of others like him have to hear this junk about how unemployment insurance incentivizes people not to work. I don't know where the Senators who are saying that are going in their States, but from what I have heard from my other colleagues, it is like this all over the country.

But even if we ignore the human side of our economic crisis, even if we are to look only at what is best for our Nation's economy, both in the short term and the long term, it is still the right answer to extend unemployment benefits and to do so without offsetting them by cutting other important programs. I am not an economist—not many of us here are—but there happens to be a pretty convincing record for us to draw from.

According to Mark Zandi, chief economist of Moody's economy.com, and a senior adviser to Senator MCCAIN's Presidential campaign, extending unemployment insurance benefits creates \$1.63 in demand for every dollar spent. That is pretty simple, and it makes sense. Unemployment benefits are likely to be spent quickly and in local communities. Unemployed workers no longer get a paycheck, but they still have to pay their mortgages and they still have to put food on the table and pay their electric bills.

Throughout this crisis we have all heard from economist after economist who is closely watching the strength of consumer spending—our economy rises and falls on it. Unemployment benefits support consumer spending and stimulate the economy. Like other automatic stabilizers—programs for which eligibility is triggered when the economy sinks and are used less as the economy recovers—unemployment benefits are effective and appropriate stimulus measures.

Do you know what else has proven to work? Food stamps, with \$1.73 yield for every dollar spent. Generally, the State governments return \$1.38 on every dollar spent. That is why I have cosponsored a bill with my friend from Ohio, Senator BROWN, to deliver aid to States. The Local Jobs for America Act could save 1 million public sector jobs—the jobs of teachers, firefighters, police officers, childcare workers.

Of course, increased investment in our Nation's infrastructure yields \$1.59 for every dollar spent. Infrastructure spending repairs our crumbling bridges and roads to keep us competitive in the global marketplace. We could build our way out of this crisis just as we did after World War II with our interstate highway system. The 21st-century version of the interstate highway system is our broadband network. Commerce is now highly dependent not just

on bridges and roads but on efficient communications.

There is no small irony in the fact that we have fallen behind other countries in our access to the Internet, a technology created by U.S. Government research dollars, and one which itself created so much wealth in the United States and around the world. The Recovery Act has already invested \$85 million in grants and \$32 million in loans to expand broadband coverage in Minnesota. That is a good thing because the more parts of this country we can reach with the broadband network, the more people in our country who will be engaged in trade and in our economy.

This expansion can also help reduce our Nation's other deficit—the trade deficit. The President's export initiative, along with improving exchange rates and local economic growth, can contribute to boosting our exports, and that means more jobs, more growth, and reduced budget deficits. Our country has plenty to offer, especially as countries throughout the world transition to green economies.

In my home State, a National Science Foundation grant helped the University of Minnesota develop a technological breakthrough that will lead to an ultra-efficient solar cell. These cells can produce 60 percent more energy. We shouldn't be importing Chinese solar panels. We should be using this technology to develop our own, for our own use and for export.

But all these things—unemployment benefits, infrastructure, research—cost money. They all require spending. Some of my colleagues seem to think that long-term deficit reduction and short-term spending are somehow incompatible. Take for example the Recovery Act. Yes, it added to our short-term deficit—perhaps. But imagine where our economy would be now if we hadn't enacted it.

I know some of my colleagues will say: Well, the stimulus package was a failure. The President said unemployment would hit 8 percent if we didn't enact the stimulus package, and unemployment has been nearly 10 percent for months. Well, yes, but there are a couple of possibilities. Either the stimulus package was a failure or the recession left by the Bush administration was even worse than his advisers thought it was when President Obama said that.

When President Bush left office, we were bleeding jobs. We lost about 800,000 jobs in that last month of the Bush administration, about 750,000 the first month of President Obama's administration. We lost 4.4 million jobs in Bush's final year in office. Yet with the Recovery Act, the President has been able to turn the economy around and immediately stem the growing losses. The numbers of jobs lost got smaller and smaller each month. This year we have had 5 straight months of growth, and we have created 882,000 net jobs this year. Does anybody see a trend line?

Some may note this little negative bar at the end. That is primarily the result of losing some temporary census jobs. But if we look at only the private sector, we actually saw a net increase of jobs in June. Imagine what this would look like without the Recovery Act. Last month, the CBO estimated that the Recovery Act has increased the number of people employed from 1.2 to 2.8 million. It is the view of many economists that but for the Recovery Act we would have slipped into a depression. In that case, our deficit would actually be a lot higher than it is today because that is what happens during a depression.

Let's remember what was in the Recovery Act. Roughly one-third went to State governments, roughly one-third went to tax cuts for 95 percent of Americans, and roughly one-third went for infrastructure. Many of these projects are now coming online.

I travel all over my State, and I talk to mayors and city planners and county commissioners—as I know the Presiding Officer does in his State of Alaska—and I talk to small business owners. Usually, I don't know, nor do I particularly care, which political party they belong to. Almost invariably they thank me for stimulus funds that financed the repair of an aging wastewater plant or some officers or teachers or funding for worker training or a home foreclosure counseling program that prevented homes from going into foreclosure, saving their communities money. Yes, local and State Republican officeholders and small businessmen thank me for the Recovery Act, a lot, and I wasn't even here to vote for it. Still, they thank me. And you know what. After they thank me, they say: More. They ask for more.

We have an economic crisis on our hands. Congress should be making investments that provide the highest returns on investment that can be at the same time stimulative to our economy. Now is not the time to stop investing. Short-term shocks to the system will impair our economic recovery. We should simultaneously be looking for long-term budgetary solutions while continuing to invest in our recovering economy. These are not incompatible. In fact, I believe it is necessary to do both.

If we don't, we risk seeing a repeat of what happened in 1937. Our country had been making great strides toward a full economic recovery. Production was up, wages were up, unemployment had come down from over 25 percent when Roosevelt took office to 14 percent in 1937. So after his landslide election in 1936, President Roosevelt, upon the advice of his Treasury Secretary, declared the depression over.

His Treasury Secretary, Henry Morgenthau, was getting uneasy about the long stream of deficits they had been running. To reverse course, they cut Federal recovery program spending and raised taxes. This decision proved to be premature. The economy's im-

pressive growth rate of the previous 4 years—it grew 11 percent in 1934, 9 percent in 1935, 13 percent in 1936, 5 percent in 1937—came to a screeching halt, and the economy took another dive. The unemployment rolls increased by 5 million people, up to 19 percent. The economy shrank by 3.4 percent in 1938, and the country's remaining economic indicators remained low until the beginning of World War II.

We shouldn't make the same mistake twice. We should continue investing in our future instead. But some colleagues are skeptical of this approach and talk about the United States as if we were Greece.

Let me be clear: We are not Greece. If we were to take a look at interest rates on the U.S. Treasury bonds, we would see that a 10-year Treasury bond is yielding just about 3 percent in interest. That is the market's pricing. If the market really thought U.S. Treasuries were risky, the market would demand more than 3.09 percent interest on a 10-year Treasury.

The market says we are not Greece. Yet the threat from taking some of the measures Greece has recently taken is very real. Cutting back on spending now will jeopardize our economy and could push us into a double-dip recession. That would drive up unemployment even more, drive small businesses under, and stop us from growing out of the deficits we all want to eliminate.

Growing our economy is how we have come out of far worse deficits in the past. At the end of World War II, our budget deficits had reached over 30 percent of our GDP, but we grew out of it. Today, it is just over 10 percent of our GDP. After World War II, the publicly held debt was 109 percent of GDP, compared to OMB's projection that we will be at 64 percent by the end of this year. We grew ourselves out of it, and we can do it again.

Destimulating our economy at this fragile moment is simply not wise. Don't take my word for it. Burton Malkiel, a member of President Ford's Council of Economic Advisers, said in 2003:

If there is any time in which one ought to have a deficit it is a time where there is economic slack and a job market that is not recovering.

Manuel Johnson, one of President Reagan's Assistant Treasury Secretaries, said he didn't think short-term deficits have much to do with the economy's performance. And Reagan's Chief Economic Adviser, Martin Feldstein, who was also one of our most distinguished conservative academics, was one of the strongest voices for robust stimulus legislation last year.

Let's keep going. Michael Boskin, adviser to President George H.W. Bush, said:

The notion that deficits are bad is way too narrow. Deficits can be a serious problem over the medium and long term. There are times it is good to see the deficit worsen or the surplus turn into a deficit.

And he means those times—he means during an economic downturn.

The chair of President George W. Bush's Council of Economic Advisers, Gregory Mankiw, said:

It is a textbook principle of prudent fiscal policy that deficits are an appropriate response in times of war and recession.

Earlier, I mentioned one of Senator MCCAIN's campaign advisers, Mark Zandi. He said that it is typical to run large deficits during a recession and the true problem is persistent large deficits.

To my colleagues who refuse to enact anything that adds a penny to the deficit, what else can I say to convince you? Short-term deficits during a recession are acceptable. In fact, many of the conservative economists advising Republican Presidents or Presidential candidates have said they are prudent and even good. When we distinguish between short- and long-term deficits, we start to paint a very different picture.

I don't want anyone to hear me as saying we should just spend, spend, spend. Everyone agrees we are on a track that is unsustainable. Without significant changes to policy, the Center on Policy and Budget Priorities projects that our national debt could grow to 300 percent of GDP over the next 40 years. That is almost three times as large as the post-World War II level. The problem must be addressed with a careful, measured, and multifaceted approach, the same approach that balanced our budget just 10 years ago.

As you can see, here in 2000 we were running a surplus of \$200 billion and we were headed down the path to eliminating completely the publicly held debt. In fact, our debt could have been paid off today, by today, if no changes had been made to Federal spending policy. But President Bush and Congress did make changes when they took over in 2001, such as passing massive tax cuts for the wealthy. As a result, our national debt more than doubled under President Bush.

In January 2009, when President Obama was just taking office, CBO estimated that he was left with a \$1.2 trillion deficit for the fiscal year and the residual effects of ill-advised economic policies.

Let's take a look at this chart which shows our current 10-year budget outlook. As you can see, the Center on Budget and Policy Priorities projects there will be five major contributors to the deficit in 2019. The one that is obviously least under our control is the economic downturn. It is the red. Then there are the wars in Iraq and Afghanistan. That is the green. That proportion is pretty substantial. But here is this little blue, kind of turquoise line. That little thing is the Recovery Act. This is legislation that is targeted over and over for being such a huge contributor to our deficit. This sliver is what so many of our colleagues complain about, that one. Most of its contribution to the deficit is clustered right here in the first 2 years when the economy most needed a boost, but its

longer term budget effects are tiny when compared to its effectiveness in keeping us from falling into another Great Depression. And when compared to this yellowish-orange block, the block responsible for over \$7 trillion in debt over this 10-year period, these are the Bush-era tax cuts which were passed without being paid for. This block is the result of an experiment in economic theory. I think the record is clear that the experiment failed. But no matter what you think of the effect of that policy choice on our economy, you cannot deny the effect of that policy choice on our deficit because here it is, in yellowish-orange.

So when my colleagues come down here to rail against the Recovery Act, to blame the Recovery Act for increasing the deficit, I guess it can be technically accurate—a little bit of the blame, this much, maybe a centimeter, that goes to the Recovery Act, even though it very possibly kept us from slipping into a second Great Depression, in which case deficits would have been much larger. But I also want the American people to have a sense of how much of the blame should go to the Recovery Act and how much of it belongs elsewhere, and I think you see it.

This chart gives you a good idea of where all the debt came from. As you can see, the debt accelerates upward with President Reagan and President George H.W. Bush. It smooths out under Bill Clinton. And then it spikes, it skyrockets under George W. Bush, as I mentioned before. President Obama was left with a projected \$1.2 trillion deficit in his first year in office. However, even though this massive debt was handed over to us by our last President, it does not diminish our responsibility to address it.

I am glad to see that so many of my colleagues also appreciate the seriousness of this responsibility and some are proposing commonsense solutions to bring these long-term deficits under control. We took a major step earlier this year by passing comprehensive health care reform. Health care costs were the No. 1 factor contributing to long-term government deficits. The cost curve on those were out of control. Under previous policies, the costs of Medicare and Medicaid would have gobbled up a third of the total Federal budget by 2030. But health care reform included reforms such as the value index that will finally provide incentives for providing high-quality care at a lower cost, as we do in Minnesota, instead of providing the most expensive care possible without regard to outcomes.

This legislation alone will have an enormous impact on the long-term deficit. The CBO estimates it will bring down the deficit by \$143 billion in the first 10 years and even more in the following decade. That is hundreds of billions of dollars, and that doesn't even include the reduction of private costs to families that will result from the improvements in the overall efficiency

in our health care system. These are CBO numbers, the same CBO whose numbers I quoted earlier about the alarming size of projected future deficits if we take no action; the exact same alarming numbers my friends on the other side of the aisle quoted. They are quoting CBO. If you want to rely on those CBO numbers, then CBO numbers are what we must rely on to score health reform.

I strongly support the health care reform bill we passed and am optimistic about the positive changes it will bring to the lives of millions of Americans, including bringing down our deficit.

Let's look at our tax policy. As recently as 1980, the top bracket for the very wealthy in this country was 70 percent, and for two decades prior to that, the wealthiest Americans had income tax rates between 70 and 90-some percent. Today, it is 35 percent. These declining rates on the wealthiest Americans mean that more tax revenue is coming from middle-income earners. This is during a period when the gap between those at the top and those in the middle has grown substantially.

On top of that, we have allowed the estate tax to expire completely in 2010. This is a tax that affects less than one-half of 1 percent of all Americans. My colleagues across the aisle will argue that the estate tax punishes the most productive members of our society, the children of the extremely wealthy. This gift to our most fortunate sons and daughters cost the rest of us \$14 billion this year alone. That tab for that \$14 billion in lost revenues from America's multimillionaires and billionaires will be passed to all of our kids—not just the \$14 billion but the interest on it as well.

I think Teddy Roosevelt put it the best. He said:

The man of great wealth owes a particular obligation to the state because he derives special advantages from the mere existence of government.

Those who want to eliminate the estate tax understandably don't put the children of the incredibly wealthy in their campaign literature. Instead, they talk about family farmers, as if family farms have been lost to the estate tax. Yet according to the New York Times, the American Farm Bureau Federation was unable to name one family farm lost because of the estate tax.

Opponents of the tax insinuate that it is impossible to design a policy that continues to protect the family farms that might be even slightly affected. Yet it is, of course, quite possible to do that. I cosponsored a reasonable approach to estate tax reform offered by Senator SANDERS, HARKIN, and WHITEHOUSE. It retains the 2009 exemption limits—\$3.5 million per person and \$7 million per couple—with a progressive, tiered structure so that the ultrawealthy pay more. And, yes, it makes provisions for family farms.

This proposal will help ease the burden of middle-class families who are now expected to close the budget gap.

Working families are also on the hook for the corporate welfare that is compounding the national debt. Our tax system is riddled with loopholes so corporations can escape liability by shifting operations overseas. In fact, corporations are often actually rewarded for sending jobs overseas by our tax system. That has to stop.

There is something even more offensive. If BP is taken to court because of their negligence in this oilspill and a judge finds they owe punitive damages, those punitive damages can be deducted as a business expense. Why do we allow these oil giants that earned hundreds of billions of dollars in profits in the past decade to deduct punitive damages from the taxes they should pay? And that is if they pay taxes at all. ExxonMobil did not pay any taxes last year. Despite its \$45 billion profit, it paid no income tax.

I do not bring this up to inspire anger at corporations. I bring it up because these loopholes and allowances create revenue shortfalls. Revenue shortfalls equal deficits, unless they are shifted onto the backs of middle-class families.

But we would be remiss to go after these big oil companies without also tackling our own spending problems. Secretary Gates has led the way in explaining how we can, and must, achieve savings in the defense budget. While nothing is more important than the defense of our Nation, national security is not well-served by unnecessary, incredibly expensive weapons programs. Nor are we well-served by programs that come in late, and way over budget.

Secretary of Defense Gates recently quoted his predecessor, Secretary Rumsfeld, who said it best: "A person employed in a redundant task is one who could be countering terrorism or nuclear proliferation. Every dollar squandered on waste is one denied to the warfighter." That was Secretary Rumsfeld on September 10, 2001.

Our national security priorities must be matched to our real defense priorities in the 21 century, not dictated by expensive weapons systems that are only benefiting the bottom line of big defense contractors.

These are all things that we can do to bring down long-term deficits.

We urgently need bipartisan solutions. One idea that I have supported, a deficit reduction commission, was proposed by Senators CONRAD and GREGG. This commission would make recommendations that would then come up for an up-or-down vote by Congress. That proposal failed, despite its broad bipartisan support. The commission was ultimately supported by more on this side of the aisle than by those across it, including those who cosponsored the original bill and then voted against it when it came up as an amendment. I am curious what changes could be made to such a proposal for it to attract more support. I welcome working with my colleagues across the aisle to find such an approach.

We are all agreed that the current path forward is unsustainable. But we differ on what changes need to be made. It is economically unsound, and potentially dangerous, to require that all spending be offset while we are still recovering from a recession, reeling from nearly 10 percent unemployment rates, and looking for ways to temper the jobs deficit of 12 million workers.

We are putting our economy back at risk just when it is finally turning a corner. Nobel Prize-winning economist Joseph Stiglitz has warned that the upcoming phase-out of Recovery Act spending and State and local spending cutbacks are likely to exert further downward pressure on the economy.

Our working and middle classes are still struggling, and they continue to need our help. We can help them by extending unemployment insurance and COBRA subsidies for those who lost a job through no fault of their own. We can retain vital nutrition assistance programs in the Recovery Act to make sure kids do not go hungry. And we can make investments in renewing our Nation's infrastructure.

These are not government hand-outs, these are the most effective ways to get our economy going again and contributing to our economic recovery. Without these measures, we risk slipping back into a recession. And as I have noted, recessions directly contribute to long-term deficits.

I encourage my colleagues to join with me in standing up to the rhetoric that all spending is created equal. I encourage my colleagues to show compassion toward those still out of work. I encourage my colleagues to support spending programs that will help us emerge from this downturn. And I encourage my colleagues to join forces in coming up with new ways to tackle our long-term deficits because they matter.

We face enormous economic problems: the short-term economic crisis and the long-term deficit. But we also face a seemingly intractable political problem. As long as this body refuses to face up to the simple facts about where our deficits came from and what we need to do to solve them, as long as we turn a blind eye to the simple facts about what will get us out of this major downturn we will be unable to reach the solutions demanded by these problems and deserved by the American people.

Simply put, if we do not face facts, we can not do our jobs. And that would leave this country in serious trouble.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

#### FINANCIAL REGULATORY REFORM

Mr. LEVIN. Mr. President, roughly 2 years ago, our Nation suffered a catastrophe. It was not a hurricane or an earthquake. It was no act of God. It was a man-made disaster, manufactured in the boiler rooms of unscrupu-

lous mortgage lenders and the offices of pay-for-hire credit rating agencies, in the headquarters of sluggish regulators, and then vastly expanded in its negative impact in the boardrooms of Wall Street financial firms.

The financial crisis they all helped create has cost millions of Americans their jobs, their homes, and their financial security. It has endangered businesses large and small. It continues to weigh down our economy today. It required trillions of dollars of government aid just to keep the crisis from sliding into a depression.

Addressing the causes of this crisis, in an effort to ensure that it is not repeated, is our very serious obligation. We now have before us, months in the making, something that constitutes our best efforts to carry out that obligation. The legislation before us contains many important provisions.

But it is, in sum, an attempt to build a firewall between the worst high-risk excesses of Wall Street on the one hand and the jobs and homes and futures of ordinary Americans on the other. I strongly support the Dodd-Frank bill and encourage our colleagues to do the same.

Senator DODD spoke at some length a few minutes ago about this bill. He said that he cannot legislate integrity, wisdom, passion, or competency. That is surely true. But without Senator DODD's integrity, wisdom, passion, and competency, we would not be where we are today, on the threshold of making a generationally important reform of the financial community.

Senator DODD made reference to the Permanent Subcommittee on Investigations, and the investigations which we held into the financial crisis. I have seen up close and personal and in detail the worst of those excesses. Our colleagues on the subcommittee, including my ranking member, Senator COBURN, my very active member on that subcommittee, Senator KAUFMAN, and others, we saw these excesses in four different hearings.

For over almost a year and a half, our subcommittee devoted our resources to examining some of the causes and consequences of the financial crisis. We issued dozens of subpoenas. We examined millions of pages of documents. We conducted over 100 interviews. We took more than 30 hours of testimony during those four public hearings.

Those hearings focused on the practices of risky mortgage lenders, using Washington Mutual, WaMu, as a case history. We focused in the second hearing on the failures of the regulators to rein in WaMu's risky practices, in a third hearing on the inaccurate risk assessments of credit rating agencies, and then in the fourth hearing on the egregious practices of some Wall Street investment banks using, as a case history, Goldman Sachs.

In each of those hearings, we learned important facts about how the financial industry and those tasked with

overseeing it failed in their obligations, plunging the Nation into crisis and a deep recession. I want to set out how the legislation before us addresses many of the lessons we learned in the subcommittee's investigation.

Our hearings began with a case study of Washington Mutual Bank, a \$300 billion Seattle-based thrift, that, thanks to its reckless lending, became the largest bank failure in America's history. In the pursuit of higher and higher profits, WaMu's management turned its focus from traditional mortgage lending to high-risk subprime and adjustable-rate mortgage loans.

In doing so, it engaged in practices that endangered the bank, its borrowers, and the economy at large. It sold loans to borrowers that it knew or should have known would be unable to repay. It paid its salespeople more if they sold higher risk loans, with higher interest rates or other terms that made them more difficult to repay.

Internal audits repeatedly found high levels of fraud and abuse in the bank's loans. But business continued as usual. WaMu then dumped these risky loans into the financial system, selling them or packaging them into mortgage-backed securities that Wall Street eagerly scooped up, flooding the stream of commerce with toxic assets like a polluter dumping poison into a river.

WaMu collapsed in 2008, leaving behind a trail of shattered homeowners and investors. Its case history was emblematic of a whole host of irresponsible mortgage lenders that loaded our mortgage markets with toxic securities.

The legislation before us does much to address these problems. A consumer financial protection bureau will bring new scrutiny to the practices of financial companies, providing important oversight that can end the kind of abusive and even fraudulent practices used by WaMu and other mortgage lenders.

Other provisions will require those who create mortgage-backed securities, such as WaMu, and the investment banks it used, to retain a portion of the risk of securities that are backed by those high-risk loans, such as subprime mortgages or option ARMs so that securitizers will not be able to offload all that risk onto the market and walk away from the losses that occur down the road.

Still another set of provisions in this bill ban so-called liar loans, which allowed WaMu and others to sell loans without any documentation of a borrower's income or ability to repay.

The bill also prohibits the practice of paying salespeople more for gouging homeowners with higher rates or other terms that make loans harder to repay. Each of those reforms addresses critical problems exposed in our subcommittee's hearings, which helped to build the legislative history supporting the need for this bill.

Most of the reforms also require implementing regulations. I hope that those writing the regulations will pay

heed to the problems uncovered in our hearings and take the steps needed to protect our mortgage markets from future abuses.

WaMu might not have been able to engage in its worst practices for as long as it did had it been confronted by Federal regulators. Instead, our investigation found that the Office of Thrift Supervision, WaMu's primary regulator, was more a lapdog than a watchdog. Repeatedly its examiners identified enormous problems with the bank's lending and securitization operation. Yet higher-ups in the Office of Thrift Supervision failed to take appropriate action. When the Federal Deposit Insurance Corporation sought to address the obvious problems in WaMu, the Office of Thrift Supervision, OTS, erected roadblocks that prevented action.

Documents show that the head of OTS referred to Washington Mutual as their agency's constituent, perhaps reflecting an awareness that the country's largest thrift was also the OTS's largest single source of funding.

I am also afraid that comment calling Washington Mutual a constituent of its regulatory agency also ignored the obligation that should result from an agency being a fiduciary whose constituents are not the people they regulate but are the people of the United States of America.

Clearly, OTS has outlived its usefulness, and the legislation before us dissolves the OTS. In addition, a new Financial Stability Oversight Council will have broad authority to monitor individual financial institutions as well as the system at large to catch problem institutions such as WaMu and problematic practices such as high risk lending before they endanger the financial system as a whole.

Credit-rating agencies also failed their essential role in this crisis. Our investigation found these agencies, which supposedly supply expert and objective analysis of credit risk, used faulty risk models and assigned super-safe AAA ratings to products later revealed to be little better than junk. Paid by the Wall Street firms whose products they were supposed to objectively assess, they sought market share by working with these firms to ensure the high ratings needed to sell risky products to risk-averse investors such as pension funds and university endowments. They failed to account for overwhelming evidence that fraud was a major factor in a growing number of mortgage loans.

The Dodd-Frank bill sets up a new office in the Securities and Exchange Commission to oversee and examine the work of the credit-rating agencies. I pay tribute, by the way, to Senator FRANKEN for the work he did in this area in the amendment he offered to the Senate. The Dodd-Frank bill requires the agencies to disclose their methodology and their track records. It allows investors to file private causes of action against such agencies

that fail to thoroughly investigate products they rate.

The bill also tasks the SEC with examining the clear conflict of interest involved in Wall Street firms shopping for the highest rating among the various rating agencies. I am hopeful, at the end of the study, the SEC will adopt the approach taken in the Franken amendment that won bipartisan support in the Senate, and establish an intermediary that will separate the credit-rating firms from the investment banks that press them for high ratings in return for lucrative compensation. As part of their work, I hope the SEC will take an in-depth look at the documents and testimony in our subcommittee hearings that laid bare the conflicts of interest that undermine the accuracy of credit ratings.

Wall Street investment banks also played the major role in the crisis. Seeking ever higher profits, they aggressively marketed the mortgage-backed securities and exotic derivatives tied to the mortgage market that were at the heart of the crisis. Increasingly, those banks drew their profits not from helping client investors prosper but by trading for their own accounts, often in direct conflict with their clients' interests. Internal e-mails that the subcommittee disclosed showed Goldman Sachs repeatedly marketed mortgage-related financial instruments that it created and knew to be faulty, junk, and worse. After it did so, it then made the large bets against those very same instruments. Our investigation also showed Goldman Sachs made a large bet that the mortgage market as a whole was headed down, a bet it denies to this very day that it made, despite a mountain of evidence contained in the firm's own documents that it did so.

With Senator MERKLEY, I worked to address the outrageous conflicts of interest revealed in our hearings on investment banks. The Dodd-Frank bill makes important progress on this front. It sharply limits the risky proprietary trading that Goldman Sachs and other Wall Street firms used to rack up enormous profits while endangering the stability of the financial system.

While I wish the bill was more forceful in limiting these risky trades, especially in terms of limiting financial firm investments in hedge funds and private equity funds, the language in this bill will add substantial strength to the stability of the financial system.

In addition, the bill includes language to end the conflicts of interest revealed in our investigation of Goldman Sachs. No longer will financial firms be able to package and sell asset-backed products to investors and then bet against those same products. Those conflicts of interest will end, unless the regulators water down our strong language with weak enforcement.

The Dodd-Frank bill contains other much needed measures as well. It will

bring new transparency and accountability to the shadowy market in derivatives. It will protect taxpayers from the need to engage in the kind of multibillion-dollar bailouts required in the current crisis by allowing for an orderly resolution of failing financial firms. It empowers regulators to establish tough new capital requirements that make it harder for firms to become so big they endanger the stability of the system. It requires hedge funds to register with the SEC and provide information about their once-hidden operations. It also strengthens the process for shareholders to select corporate directors and to limit excessive executive pay.

We have seen all too clearly the consequences of lax regulation and tepid oversight, the consequences of assuming that Wall Street can police itself. That attitude has put millions of Americans in unemployment lines, has plastered foreclosure signs on millions of American homes, and has pumped billions of dollars of taxpayer money into Wall Street firms that happily profited from their risky bets and then leaned on the rest of us to bail them out when the bill came due.

I say to those colleagues who are considering voting against this bill: Knowing what our investigation and others have discovered, how can you oppose this effort to erect a wall between Wall Street's never-ending appetite for reckless risk and the rest of the American economy?

It is time to put the cop back on the beat on Wall Street. It is time to end Wall Street's "heads we win, tails you lose" game. It is time to prevent as best we can the next manmade disaster threatening our jobs, our homes, and our businesses. It is time to pass this major financial reform legislation, and I hope we will see a strong vote for it in the day ahead.

#### PAKISTAN AND AFGHANISTAN TRIP

Mr. LEVIN. Mr. President, I rise to speak about a trip Senator JACK REED and I recently took to Pakistan and Afghanistan. In Pakistan, we met with the Prime Minister, the Governor of the critical northern province that includes the Swat Valley, the Pakistani general who is commander of their Army's 11th Corps. In Afghanistan, we met in Kabul with General Petraeus, with Ambassador Eikenberry, with President Karzai, with many of his ministers.

Then, in Afghanistan, we traveled to Kandahar Province, where we met with General Carter, who is the commander of the ISAF forces, the Kandahar Governor and the city mayor of Kandahar. Then we met with the commander of the Afghan Army's 205th Corps, Major General Zazai.

One of the key things we saw, and something which is critically important to the success of this mission in Afghanistan, is that the Afghan Army

be strengthened, take responsibility, primarily, for the security of the country, and lead operations which are joint operations between the Afghan Army and the coalition forces, including American forces.

That will be dramatized, that movement towards the shift of responsibility to the Afghans, where it belongs. A dramatic moment is going to take place later in July or early in August when, in a major operation in the area around Kandahar city, right in the heart of Taliban country, there is going to be a large number of forces that are Afghan forces, a large number of American forces, and from other countries, and it will be the Afghans who will be in the lead in that operation.

This is the Taliban's worst nightmare: facing an Afghan-led force that is going to clear them from control of the area. The Afghan people detest the Taliban, and they respect their own army. And our major goal and mission should be to build up that army, strengthen it sizewise and with equipment and training so it can take major security responsibility for that country. This is the path to success in Afghanistan.

Again, because of this planned operation, which is now announced, and because of a number of other steps which have been taken—a very significant number of positive steps in the last 6 months—I have some confidence we are on the way to a successful outcome in Afghanistan.

Afghanistan has made progress in a number of ways since my visit there in January.

The progress I refer to is toward the key goal of preventing Afghanistan from being dominated by a Taliban organization that would once again provide a haven for the international terrorist movement, al-Qaida.

To achieve that goal, Afghanistan must be able to take principal responsibility for its own security. We and other outsiders cannot secure Afghanistan, but we can help the Afghan security forces do so.

The building blocks to achieve that goal are present. The Afghan National Army, ANA, is respected by the people and the Taliban is despised and feared because of the terror they spread and threaten.

A capable, strong, large Afghan Army is the Taliban's worst nightmare because it means that the Taliban's propaganda that foreigners seek to dominate Afghanistan rings hollow. This is particularly true when Afghan troops are in the lead in joint operations with the troops of ISAF.

That is why I believed we should have focused on training and equipping the ANA, why we should have sent in trainers and mentors instead of sending in more combat troops. That is why when President Obama decided to send in 30,000 more U.S. troops, I strongly supported the decision to begin to reduce those troops in July of 2011. That

date is the action-driving mechanism to demonstrate to the Afghans the urgency of acting to get their army up to the size and capability where they can succeed in the mission so vital to them and to us—securing their country against the Taliban.

A number of steps have been taken in the last 6 months toward achieving that goal.

First, recruitment for the ANA is up, partly because, according to General Caldwell, who leads the ISAF training mission, the announcement of the July 2011 date last December incentivized the Afghan leaders to act to stimulate recruitment.

Second, the Afghan army has grown very quickly, exceeding the goals. Last December the army had 100,000 men; by May the number was 125,000; and Minister of Defense Wardak said he expects to announce that the end of September 2010 goal of 134,000 will be met by the time of the Kabul conference in late July.

Third, the ratio of ISAF forces to Afghan forces is improving in terms of Afghans becoming numerically dominant. When I was with our marines in Helmand Province in January, there were two or three marines for each Afghan soldier. In Kandahar Province, where Senator REED and I visited last week, the ratio is about one to one and by September it will be predominantly Afghan.

Fourth, the partnering in the field between the ANA and ISAF is real. Every Afghan unit from battalion down to company level is now planning and operating together with ISAF units. This has the twin benefits of training Afghan troops and having the Afghan people see that it is their respected army that they want to provide the security which is doing that, rather than foreign troops which have less understanding of their culture and will someday leave.

Fifth, and central to the success of the mission of Afghans being principal providers of security, is the fact that Afghan troops are more and more in the lead in joint operations. A highly significant event will take place at the end of July and early August. A major joint ANA-ISAF operation will move into the Taliban heartland of the Arghandab Valley, just west of Kandahar city. Approximately 10,000 troops—the Afghan 205th Corps with 5,160 soldiers and ISAF with 4,430 soldiers—will clear the area of insurgents.

The planning is complete and the orders signed. It is a major, incredibly important effort and, of great significance, the Afghans will be in the lead.

The significance of this will not be lost on the Afghan people, nor on the Taliban.

Kandahar Province is where the Taliban movement was born. Months of effort have been extended to "shape" the upcoming effort. The city of Kandahar and its environs are being secured at the cost of many lives—both Afghan and coalition forces—so as to

prevent additional insurgents from re-inforcing the Arghandab region.

This will not be just a clearing operation.

It will be a clear and hold operation, with Afghan National Police, ANP, and the Afghan National Civil Order Police, ANCOP, doing the holding with the Afghan National Army and coalition military police.

As the Commandant of the Marine Corps, General Conway, said:

To have American Marines standing on a corner in a key village isn't nearly as effective as having an Afghan policeman or Afghan soldier.

The key to success of a counterinsurgency effort, which is aimed at protecting the people, is winning the support of those people. A significant sign of progress in this respect is that the tips needed about the whereabouts of the Taliban, so essential to defeating them, are coming into the coalition in vastly increasing numbers. An ISAF Strategic Assessment report indicates that there has been increased reporting by local Afghans on the locations of IEDs and weapons caches, resulting in a higher ratio of finds/turn-ins to explosions.

Sixth, the equipping of the Afghan Army is beginning to happen. We authorized the transfer of equipment from Iraq to Afghanistan for the ANA instead of bringing all that equipment back to the United States. We learned that 800 of 1,600 up-armored humvees have arrived in Afghanistan and the rest will soon arrive.

There are other reasons for optimism. We met with the Governor of Kandahar Province and the mayor of the city of Kandahar. Their outspoken opposition to the Taliban and the warlords who have been in power and who recently assassinated the District Governor of Arghandab remains strong and resolute.

Those are some of the signs of progress, but it has come at great cost. We have lost almost 1,200 of our brave troops in Afghanistan, and many times that number wounded. The cost to our treasure has been high. The months ahead will see more casualties, almost all inflicted by IEDs. The strain on our extraordinary troops and their families and on the U.S. civilians in Afghanistan is great. Despite the stress, their morale is high, and regardless of whether one agrees with the mission in Afghanistan, those men and women deserve a tribute from all Americans. We stand in awe of them.

There are also significant threats to the Afghan mission.

The first threat emanates from Pakistan. While Pakistan has taken steps relatively recently to take on some terrorist groups, and has done so at a real cost to the Pakistan Army, they have not taken on a number of groups that use Pakistan as a safe haven, crossing the border into Afghanistan to attack Afghan and ISAF forces, or supplying and supporting those attacks and then returning to the Pakistan safe haven.

Two of those groups are the Haqqani network in the North Waziristan area of the federally administered tribal area, FATA, across the border from eastern Afghanistan, and the home of the Afghan Taliban in Quetta, just across the border from Kandahar.

The State Department maintains a list of foreign terrorist groups. The State Department has said it is currently considering adding the Pakistani Taliban to that list. In my view, the Haqqani network has also long belonged on that list. We would not tolerate such groups attacking us from a neighboring country. Pakistan's failure to attack them, knowing full well, as they do, the location of their headquarters in Miranshah and Quetta, is also intolerable.

A second threat to the success of our Afghan mission is the failure of the Afghan Government to provide noncorrupt, effective government to their people. This has been the subject of much concern. President Karzai's administration and international action on the civilian government side are beginning to stir into long overdue action.

The number of U.S. Government civilians in Afghanistan has tripled since 2009, with a greater percentage in the field outside Kabul.

A third threat to the success of the Afghan mission is the undiminished power of warlords and power brokers and the so-called private security contractors, paid with U.S. taxpayer dollars, who are engaged in bribes and perverse, blatant racketeering and rip-offs.

General Rodriguez, commander, International Security Assistance Force Joint Command and deputy commander, United States Forces—Afghanistan, is determined to protect our convoys from the warlords and their thugs who extort fees for safe passage and often collaborate with the Taliban to create the very threat of insecurity they presumably are hired to guard against.

The Afghan people hate and live in fear of the power brokers and warlords.

They corrupt the local police and are one reason why there is little public confidence in the local police.

Training of more and better local police and the expansion of the Afghan Civil Order Police, ANCOP, are hopeful signs. But the combination of warlords and power brokers operating in effective league with private security contractors, the Taliban, and an often corrupted local police, remain a significant threat to the Afghan mission's success.

The role of Afghan private security contractors, who often have devastating connections to our enemies and who rip off American tax payers, and who are facilitated by the failures of U.S. contractors to adequately vet and oversee their activities, will be the subject of a forthcoming report of a Senate Armed Services investigation.

Fourth, because success of the Afghan mission depends, probably more

than anything else, on the rapid growth and capability of the one nationally respected institution, the ANA, the continuing failure of NATO allies to fill the shortfall of perhaps 2,000 trainers for partnering in the field with Afghan Army and police, so-called operational mentoring and liaison teams, OMLTs, and police operational mentoring and liaison teams, POMLTs, is inexcusable.

Many of our allies, notably the Brits, Canadians, Australians, Poles, Danes, and Georgians have been most admirable in their efforts. But too many NATO allies have failed to make commitments or carry out commitments so important to the success of the first NATO out-of-area combat mission. Continuing pressure on the laggard allies shouldn't be needed—but it is.

The success of the Afghan mission ultimately depends on a political settlement. An approach to the reintegration of those lower level insurgents who can be reintegrated, and the reconciliation with those groups that are not irreconcilable, is underway. The Afghan Government is leading that effort also, as, of course, it must. While our views and experiences in this regard are surely relevant, a brilliant British general leading the ISAF effort in Kandahar reminded us of what T.E. Lawrence said to the British over 100 years ago in a similar situation in a place that is not too far distant from Afghanistan:

Do not try to do much with your own hands. Better (they) do it tolerably than you do it perfectly. It is their war and you are to help them, not to win it for them. Actually, also, under the very odd conditions (there), your practical work will not be as good as, perhaps, you think it is.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### ORDER OF PROCEDURE

Mr. LEVIN. Mr. President, I ask unanimous consent that on Thursday, July 15, following any leader time, the Senate then resume consideration of the conference report to accompany H.R. 4173, with the time until 11 a.m. equally divided and controlled between Senators DODD and SHELBY or their designees; with the 20 minutes prior to 11 a.m. divided as follows: 5 minutes each in the following order: Senators SHELBY, DODD, MCCONNELL, and REID; that at 11 a.m. the Senate proceed to vote on the motion to invoke cloture on the conference report.

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

#### MORNING BUSINESS

Mr. LEVIN. Mr. President, I ask unanimous consent that the Senate

proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

#### REMEMBERING SENATOR ROBERT C. BYRD

Ms. LANDRIEU. Mr. President, I rise today to honor the memory of one of the Senate's giants, Robert C. Byrd. My family and I were saddened to learn of his passing on Monday morning at the age of 92. I will remember Senator Byrd as a fierce defender of the Constitution, master of Senate procedure and a proud fighter for West Virginia and its rural heritage. Senator Byrd was more than just a colleague, he was a mentor. He taught me—and everyone who had the honor of serving with him—never to apologize for standing up for your State.

During more than a half century of service in Congress, Senator Byrd gave a voice to those who would not have been heard otherwise. There are times when it is easy to get caught up in the petty bickering and partisan squabbles that seem to be increasingly plaguing this chamber. But, we would all do well to follow the example Senator Byrd set for all of us during his legendary Senate career and never lose sight of the fact that we are sent here to fight for those in our home States and across the country who cannot fight for themselves.

Senator Byrd's work on behalf of his constituents is well known. West Virginians knew they could count on their senior Senator to come here to Washington and deliver for them. They were not alone. I will never forget how helpful Senator Byrd was to my State. Louisiana lost a true friend. Through storms and floods, Senator Byrd made sure that promises made to the gulf coast, particularly to Louisiana, were not broken. He kept an eye on the fair and just distribution of funds to Gulf Coast States, and I and everyone I represent will always be grateful for his dedication to our recovery.

One critical example is his effort to provide funding for Louisiana's Road Home program. Road Home, which is the largest single housing recovery program in U.S. history, was designed to provide compensation to Louisiana homeowners whose houses were destroyed by Hurricane Katrina or Rita. In late 2007, as Louisiana faced a daunting program shortfall, it was Senator Byrd who stepped up to help me secure \$3 billion to keep this rebuilding program going.

A year later, Senator Byrd once again stood up for the people of Louisiana, when he worked with me to include \$8.7 billion for gulf coast hurricane recovery and protection in the emergency supplemental spending bill for Iraq and Afghanistan. The funding provided for levees, criminal justice needs, health care and housing for low-income hurricane survivors.

Senator Byrd once said, "The people of Louisiana have the strength and the spirit to rebuild their homes and their communities. We owe them the support to get the job done." He did not just pay lipservice to the gulf coast. He delivered for us time and again, because he understood the importance of standing up for those who were hit so hard by the tragic storms that battered the Louisiana coast.

Senator Byrd was not just a colleague who put his weight behind fighting for the gulf coast region. He was also a walking encyclopedia of Senate history, and he was always willing to impart his vast knowledge to anyone who wanted to learn about the legends that walked these halls for more than two centuries before us.

When I was first sworn in as a U.S. Senator, back in 1997, my entire family came to Washington for the event. After it was over, I asked Senator Byrd if he would give my family—both adults and children—a history lesson on the Senate. He graciously obliged, and for 2 full hours spoke eloquently and expertly on the history of this great body. His lecture left a lasting impression on every single member of the Landrieu family, and it is a memory we will always cherish.

Senator Byrd spoke with such passion about John C. Calhoun, Henry Clay, Daniel Webster, Rebecca Felton, Everett Dirksen and the many other historical figures who shaped the Senate. It is only appropriate that he will forever be mentioned in the same breath with these men and women he so truly admired. And, it makes me proud to have had the opportunity to serve with a man who left such an indelible mark on this Chamber.

As we reflect on Senator Byrd's remarkable life and career, our prayers are with the Byrd family. But we all take comfort in knowing that while he leaves behind one of his great loves—the Senate—he is finally going home to be with his greatest love—Erma.

Mr. ALEXANDER. Mr. President, Senator Pete Domenici from New Mexico served in this body for 36 years. During that time, he was the first Republican chairman of the Budget Committee and later chaired the Energy Committee where, more than almost anyone, he helped spur the revival of interest in nuclear energy. He was truly one of the most consequential senators of the last half century. As we mourn the loss of another very consequential Member of this Chamber, Senator Robert Byrd of West Virginia, I thought it was appropriate to share Senator Domenici's thoughts on the passing of Senator Byrd.

I ask unanimous consent that Senator Domenici's statement be printed in the RECORD.

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

#### STATEMENT OF SENATOR PETE DOMENICI ON THE PASSING OF SENATOR ROBERT C. BYRD

I'm sorry I can't be at Senator Robert Byrd's memorial service in person because

I'm celebrating the first family reunion with my eight children—and their children—from across the country. My wife will join me at this event, and I will be prevented from attending the ceremony for my great friend, Robert Byrd.

I worked with Senator Byrd for my entire 36 years in the Senate. Above all else, I found him a man that one could trust implicitly. He and I both served on the Senate Appropriations Committee for many years, where he was a strong advocate for his home state. He and I both supported local projects for our states and believed that 'earmarks' were not only legitimate, but part of the Senator's duty to his state.

When history is finally written of the United States Senate there is little doubt in my mind that he will go down as one of the greatest of all. He knew the rules and he played by them. He knew the issues and he fought for them. He understood America's greatness and he heralded it. But most of all, he seemed to always remember the working men and women of his state and this country. He will be missed. I must say thank you, Robert, for your friendship and all you did for me and all of us.

#### FINANCIAL REGULATORY REFORM

Mr. VOINOVICH. Mr. President, I rise today to explain my opposition to the Restoring American Financial Stability Act. When the Senate first passed the bill in May, I opposed it and explained my reasons for doing so. At that time I hoped the House and Senate would make some changes to the bill during the conference committee to address the root causes of the financial crisis as well as scale back the overreaching powers granted to the new consumer protection bureau. Unfortunately, neither of these changes occurred, and I still believe the bill largely ignores the glaring, fundamental problems that led to our current fiscal catastrophe while increasing regulatory burdens on business when the economy is still struggling to recover. In addition, as Fareed Zakaria recently noted, the uncertainty created by this and other expansive legislation, such as health care reform and potentially cap and trade, is causing many businesses to refrain from new investments until they can understand the full implications of these measures.

As for this legislation, it is now clear that over the past decade or so, specific factors played a critical role in leading our Nation into the financial crisis that first arrested the credit markets in 2007, leading to the collapse of some of our largest financial services firms and a stock market crash in late 2008. The resulting events produced a widespread foreclosure crisis and a devastating recession with massive job loss and sustained record unemployment, all of which continue to be felt by families throughout Ohio and the Nation. In response, Congress has taken up legislation that purports to correct what went wrong and restore safety, soundness, and stability to our financial markets to foster recovery and fortify the foundation for a strong economy.

Why, then, do I oppose the passage of this legislation? Simply put, because it

does not get the job done. This legislation fails to address the causes of the financial crisis, while overreaching in its expanded regulation of businesses, large and small, throughout the economy. I voted to bring the bill to the Senate floor because I believed the American people wanted us to debate the issues that caused the financial collapse and bring forth legislation that would work to minimize the possibility of a future collapse, but this bill fails in too many respects.

First, the bill fails to address two primary causes of the financial meltdown, Fannie Mae and Freddie Mac, whose push to acquire subprime mortgages—spurred by Congress—helped produce a real estate bubble that burst and sent shockwaves across global financial markets, forcing the U.S. economy and other global economies into a tailspin. These now-government-owned institutions, which failed in the midst of the financial crisis, continue to drain taxpayers for billions of dollars. In May, Fannie and Freddie requested an additional \$19 billion of taxpayer moneys to fund operations, bringing the total government assistance to roughly \$145 billion, or an average of \$7.6 billion per month. Moreover, the nonpartisan Congressional Budget Office recently estimated that over the next decade, Fannie and Freddie could cost taxpayers almost \$400 billion. Yet these two giant, systemically risky institutions—whose bailouts far outsize any of those given to other financial institutions—are ignored in this legislation.

Second, at the heart of this financial crisis were residential home loans written to borrowers who did not have the ability to pay their mortgages. When these borrowers defaulted on a massive scale, widespread investment securities based on their mortgages lost significant value, sending investors panicking and retreating while portfolios collapsed and credit froze. These loans were made in large part because of poor underwriting standards and a failure by many lenders and brokers to ensure that buyers had the means to repay their loans. During the Senate debate on this legislation, my colleague, Senator BOB CORKER, offered a common-sense amendment to establish sound underwriting standards, including a minimum down payment, full documentation, and proof of income and ability of the borrower to pay the mortgage. Amazingly, my colleagues rejected this amendment, and thus virtually nothing in this legislation addresses this problem.

Third, the new consumer protection bureau created by this bill is too wide in its regulatory scope, and I believe it will saddle businesses with new, often unnecessary burdens. The bureau is granted authority to reach its tentacles like an octopus into various sectors of the economy, and pull businesses that were not part of the problem—including retailers, medical providers such as dentists, lawyers, adver-

tising agencies, and even nonprofits—under new government regulation. Attempts by some of my colleagues to curtail the largely unchecked reach of this new regulator were mostly rejected.

Finally, new regulations related to over-the-counter derivatives fail to adequately protect businesses across Ohio and other States that use these risk management tools. I have heard from many businesses concerned that they could be forced to divert capital away from job-creating investments as a result of new clearing procedures in the legislation. They also complain that they may now be forced to use less customized derivative products, which would result in more—rather than less—risk. As businesses sideline more capital, they become less liquid; as they face more risk, they become less creditworthy, and in turn have less access to credit. I am fearful that these new regulatory burdens will serve primarily to slow any eventual economic recovery rather than address the underlying causes of the financial collapse. For example, uncertainty over these potential effects has created widespread concern among farmers in particular, who had nothing to do with the financial meltdown but could face consequences under the legislation.

In sum, the Restoring American Financial Stability Act fails to address the root causes of the problem and overreaches in its regulation. I am disappointed these concerns were not resolved during the conference committee, and thus I will not support the bill.

#### ADDITIONAL STATEMENTS

##### TRIBUTE TO COLONEL MICHAEL P. CRALL

• Mr. CASEY. Mr. President, today I honor Colonel Michael P. Crall for the exceptional service he has provided as commander of the Pittsburgh district, U.S. Army Corps of Engineers during the period from July 13, 2007, to July 16, 2010. My colleague from Pennsylvania, Senator SPECTER, has joined me to honor Colonel Crall.

On Friday, July 16, 2010 in Pittsburgh, Pennsylvania the U.S. Army Corps of Engineers Pittsburgh District military Change of Command ceremony will honor the services of the outgoing commander, Colonel Michael P. Crall, and welcome the incoming commander, Colonel William H. Graham.

Colonel Crall will leave a legacy of excellence. His leadership focused the district's capabilities on demonstrating the value of the Army Corps to the Pittsburgh region. His superb leadership and strong personal engagement strengthened relationships within local, State and Federal partnerships.

During his tenure as district commander, Colonel Crall superbly man-

aged an annual operating budget in excess of \$200 million which funded the planning, engineering, construction, operation, and maintenance of the Pittsburgh district's 23 locks and dams, and 16 reservoirs covering 26,000 square miles in a five-State area.

Colonel Crall's implementation of funding provided to the district through the American Recovery and Reinvestment Act shows that he is an effective steward of taxpayer dollars. The act provided over \$140 million for the Pittsburgh district, almost doubling the district's annual budget. Under Colonel Crall's leadership, the district awarded contracts for projects to help reinvigorate the region's economy. These contracts have also assisted in improving the reliability of the some of the oldest facilities in the Corps.

Early in his tenure, he was faced with the challenge of a severe flash flooding event where he quickly directed available Corps authorities to provide emergency relief and offer immediate assistance. Colonel Crall's actions strengthened the Corps' partnership with local communities and reiterated the Corps value in the region. This event set the foundation for a tenure that focused on ensuring the safety of citizens of the region and a commitment to protecting their property. In addition, Colonel Crall's true compassion for the constituents impacted by this unfortunate event set the tone for his continued engagement in local flood reduction needs throughout the Pittsburgh district.

Throughout his time at the helm of the Pittsburgh district, Colonel Crall continued to stress the Army Corp's concern for maintaining and improving water quality. For instance, Colonel Crall recognized the effect of natural gas drilling on the Monongahela River and immediately took action to reduce any negative impact on public health and safety associated with this activity.

As a decorated military officer, Colonel Crall exemplified his devotion to our soldiers and country through his active role with the flight 93 Memorial. With a singular focus on overcoming unnecessary delays, he directed his team to work with the National Park Service to ensure that the Corps involvement in the memorial was timely and done with great care. Colonel Crall's efforts are helping to move the project in a positive direction. Simply stated, his personal involvement will help ensure that the sacrifices of the patriots aboard flight 93 will be appropriately memorialized.

Colonel Crall's excellent communication skills and collaborative approach greatly improved the district's image and reputation among the general public, stakeholders, and the workforce. Throughout his entire tour of duty, Colonel Crall's superb leadership and strong personal engagement was instrumental in demonstrating the value of the Pittsburgh district throughout

the Upper Ohio Valley. Colonel Crall's performance of duty reflects great credit upon himself, the Corps of Engineers, and the U.S. Army. We honor his service and wish him well in his future endeavors.●

#### REMEMBERING BENJAMIN GORDON POWELL, JR.

● Ms. LANDRIEU. Mr. President, it is with great sadness that I come to the Senate floor today to reflect upon the passing of Benny Powell, Jr., an esteemed jazz trombonist from Louisiana. Louisiana and the Nation lost a musical icon on June 26 when Benny passed away, but he lives on in our memories and in the music that he created.

Born March 1, 1930, in New Orleans, LA, Benjamin Gordon Powell, Jr. first set his sights on the parade drum. At the time, his mother was working as a maid in the French Quarter and she played the piano. Thankfully, his mother quickly realized his enthusiasm for music and encouraged Benny to play the trombone. By the time he was 14, Benny had landed his first professional band gig. He was tremendously musically gifted, even from such a young age.

Benny has said of the trombone that he loved most how expressive the instrument was. In an interview with the *Times-Picayune* in 2001, he was quoted as saying that, "It's like a voice. It can go from a whisper to a roar."

Benny has performed from coast to coast with a variety of musical figures. In 1961, he played at President Kennedy's inauguration. He has recorded or performed with Frank Sinatra, Screamin' Jay Hawkins, Lionel Hampton, pianist Randy Weston, in Broadway pit bands, and for many years in the house band on "The Merv Griffin Show." However, he is probably best known for playing with Count Basie from the early 1950s through the early 1960s. Since 1944, he taught at the New School for Jazz and Contemporary Music, passing along his gift to aspiring young musicians. I know younger generations were encouraged and inspired by his talents, strength and wisdom.

There is a deep rooted musical tradition in New Orleans that Benny's music exemplified by his clear passion and rich sound. We will miss his inspiring gift. As we reflect on his life and his contributions, our prayers are with his daughter, Demitra Powell Clay, his sister, Elizabeth Powell McCrowey, and his grandchildren, Faith and Kyle Swetnam. May we all find some solace in the part of Benny that continues to live on in his music.●

#### RECOGNIZING GIRLS INC.

● Mrs. LINCOLN. Mr. President, today I congratulate Girls Inc. of Fort Smith, first place winners in the National Park Foundation's inaugural First Bloom program, in which fourth to

sixth graders plan and grow native plants that help educate visitors in national parks across the U.S.

For more than a year, Girls Inc. has tended the "officers' garden" at the Fort Smith Historic Site, a part of the National Park Service. To blend in with the history and heritage of the site, the girls wear 1860s attire, complete with a dress, apron, and bonnet. The girls cultivate, plant, water and grow the garden in the way women and girls of that era would have, using plants and seeds that were available in the Civil War-era in Fort Smith. Because of the girls' dedicated efforts, the garden has expanded to twice its original size.

The officers' garden at the Fort Smith site was started 2½ years ago by park interpreter Keri Powers, who would explain to visitors the significance of having a garden for officers' wives, which not only provided food and medicine, but also was a social space for family and friends to gather.

Girls Inc. competed against students with projects in some of our Nation's most best-known national parks, such as Bryce Canyon in Utah and Glacier Bay in Alaska. Their hard work and perseverance paid off, and I know all Arkansans share my pride in their accomplishments.

As a part of their first place prize, the girls received an all-expenses paid trip to Washington. I was honored to meet with these young girls today, to hear more about their project and their experiences. While in Washington, the girls plan to meet with other members of Arkansas's congressional delegation, tour the National Mall, and visit the White House.

Girls Inc. of Fort Smith represents the best of Arkansas. Along with all Arkansans, I congratulate them for this tremendous achievement.●

#### RECOGNIZING HARVEST OF HOPE

● Mrs. LINCOLN. Mr. President this week "Harvest of Hope," a community organization in my home State of Arkansas, will send 40,000 pounds of rice to the Arkansas Rice Depot, marking a milestone in their donation efforts. The contribution will contain the millionth pound of rice the group has donated, which equals thousands of Arkansans who have received the vital sustenance and nutrition they need.

Harvest of Hope is comprised of community leaders from DeWitt, Batesville, and Malvern who cook and sell smoked meats and use the proceeds to buy rice for the Arkansas Rice Depot. Times are tough for many Arkansans, and I commend these communities for their dedication to helping those in need.

Each community hosts a "Harvest of Hope" event annually. DeWitt's Harvest of Hope occurred over the Fourth of July holiday. Batesville and Malvern will hold their Harvest of Hope events this Labor Day.

Hunger is an epidemic in Arkansas and across our Nation. In fact, Arkan-

sas has the highest incidence of childhood hunger in the country. In my role as chairman of the Committee on Agriculture, Nutrition, and Forestry, I have fought to make strong improvements to our child nutrition programs that will put us on a path toward ending childhood hunger.

I commend the communities of DeWitt, Batesville, and Malvern for doing their part to help end hunger in our State. Along with my fellow Arkansans, I will continue my fight to ensure that Arkansans have access to the food and nutrition they need.●

#### CONGRATULATING MISS ARKANSAS PAGEANT CONTESTANTS

● Mrs. LINCOLN. Mr. President, this week a time-honored tradition takes place in my home State of Arkansas.

For more than five decades, young women from across the State have gathered each year in Hot Springs to compete in the Miss Arkansas Pageant, the preliminary to the Miss America Pageant. These women represent the best of our State, and I am proud to see them work toward their personal and professional goals as they compete in this event.

Since 1938, the Miss Arkansas Pageant has sent a representative to the Miss America Pageant. In the early days, the Miss Arkansas Pageant was held in various cities across the State, including in my hometown of Helena. In 1957, the pageant moved to Hot Springs, Arkansas's "Spa City," where it has taken place ever since.

This year, 44 contestants seek the title of Miss Arkansas, which will be determined Saturday evening. I wish them all the best as they strive to achieve their goals. I also congratulate Miss Arkansas 2009 Sarah Slocum for the work she has done over the past year representing our state and our Arkansas values. These young women speak well for the future of our state, and I am proud to call them fellow Arkansans.●

#### TRIBUTE TO JEFF THEERMAN

● Mrs. MCCASKILL. Mr. President, today I congratulate Mr. Jeff Theerman, executive director of the Metropolitan St. Louis Sewer District, MSD, on his election as the new president of the National Association of Clean Water Agencies, NACWA.

Mr. Theerman is an accomplished leader and committed environmental steward. He has dedicated his career to the improvement of the environment and public health in Missouri, and throughout the Nation. Without a doubt, he is ideally suited for this national leadership position with NACWA.

Mr. Theerman has served Missouri through his work at MSD for over 25 years. In October of 2003 he was named MSD's executive director, willingly and ably accepting accountability for all aspects of the utility's operations.

As MSD's executive director, Mr. Theerman leads one of the Nation's largest wastewater and stormwater management utilities, providing services to approximately 1.4 million people in the city of St. Louis and St. Louis County. Under his leadership, the MSD currently operates seven wastewater treatment facilities, treating an average of 330 million gallons of water per day and maintaining 9,649 miles of sewers.

Since joining others in founding NACWA 40 years ago, the Metropolitan St. Louis Sewer District has benefited from its active engagement with the organization. A member of NACWA's board of directors since 2004, Mr. Theerman has served as the organization's secretary, treasurer, and vice president. It is fitting that his election as president coincides with the 40th anniversary of NACWA's advocacy on behalf of the Nation's clean water agencies—and the environment we all value so much.

Mr. Theerman is a great example of accountable and responsible leadership in my State. Under his able leadership, NACWA looks forward to proactively and effectively addressing the complex 21st century water quality challenges we face as a Nation.

On behalf of myself and the people of Missouri, it is my sincere pleasure to congratulate Jeff Theerman on his election as president of NACWA. I am certain his actions will ensure continued water quality progress for St. Louis, MO, and the Nation.●

#### RECOGNIZING MATHEWS BROTHERS

● Ms. SNOWE. Mr. President, today I recognize one of the oldest continually operating businesses in my home State of Maine that has been truly successful at adapting to the changing times. Mathews Brothers has been manufacturing high quality windows and doors in the coastal town of Belfast for over 156 years, showing that resilience, innovation, and hard work can overcome even the worst economic downturns in American history. Currently employing more than 120 individuals, Mathews Brothers provides a prime example of how small businesses can weather economic downturns to emerge stronger time after time.

Mathews Brothers was founded in 1854 as a sawmill and millworks company by brothers Noah Merrill Mathews and Spencer Walcott Mathews. Throughout the years, the firm has set out to add a variety of different products to its repertoire, from blinds and shutters, to coffins and spiral staircases. Today, the company uses state-of-the-art equipment and materials to produce traditional wood, vinyl and contemporary composite windows and doors out of its three manufacturing plants in Belfast, Rockland, and Bangor.

As continual innovators, Mathews Brothers launched Dream Kitchen Stu-

dio in 2008 as a separate division providing windows, doors, and kitchens to businesses, homeowners, and contractors throughout the Midcoast region of Maine. Indeed, the company has been breaking barriers and achieving a host of accomplishments from its inception, including being the largest woman-owned business in Maine at the start of the 20th century, as well as building the *Jennie Flood Kreger*, the largest and only 5-masted schooner ever built in Belfast.

In recent years, Mathews Brothers has sought to improve its business model by cutting costs while maintaining quality. Toward this end, they recently completed a two month train-the-trainer lean manufacturing initiative with the Maine Manufacturing Extension Partnership that instructed 116 employees and helped save the company at least \$75,000. In addition to this critical project, the company has sought to expand into overseas markets to sell its products, including participation in trade missions to Brazil, Korea, and Japan in the past several years.

Furthermore, Mathews Brothers maintains a strong commitment to our environment, as it recycles 100 percent of its scrap glass, vinyl, metal, paper, and cardboard from the manufacturing process. The company also uses a recycling glass washer, helping it save 67,000 gallons per month in water consumption. Leftover sawdust is sent to local farms for use as stall bedding, while scrap wood is sold off as kindling or firewood. The firm takes its role as steward of the land seriously through its membership in the Maine Chapter of the U.S. Green Building Council and the Maine Forest Products Council.

Mathews Brothers has also shown a continued commitment to its local community and actively encourages their employees to engage in community service activities. This commitment originated over a century ago in 1904 with then-President Orlando Frost's commitment to help start up the Waldo County General Hospital. Their employees still volunteer in the oncology department and eagerly participate in the hospital's annual fall oncology walk. Mathews Brothers' commitment to community service was on display again in 2007 when the company raised over \$7,000 to purchase phone cards for soldiers from Maine deployed in Iraq.

Not surprisingly, Mathews Brothers has earned numerous awards for manufacturing and customer service excellence. The firm was recently awarded the Maine Manufacturing Extension Partnership's Manufacturing Excellence Award in June 2010. The award recognizes the company's success in achieving world-class manufacturing status and implementation of best manufacturing practices to stay ahead of the competition, all while maintaining a commitment to loyally serving its customers and assisting the community at large. The company has also

received the Governor's Award for Business Excellence in 1994, and was chosen as the Belfast Area Chamber of Commerce's Business of the Year in 2007, among other distinctions.

While rising to the top of its field over the past century and a half, Mathews Brothers has never forgotten the community that helped it get there. Its consistent and enthusiastic endeavors to serve the community and its customers have not gone unnoticed, and I praise them for their efforts to modernize in the face of globalization, a process which has not been kind to American manufacturers. I thank everyone at Mathews Brothers for their philanthropic efforts and tremendous perseverance, and offer my best wishes for another 150 years of success.●

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### MESSAGES FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3923. An act to provide for the exchange of certain land located in the Arapaho-Roosevelt National Forests in the State of Colorado, and for other purposes.

H.R. 3967. An act to amend the National Great Black Americans Commemoration Act of 2004 to authorize appropriations through fiscal year 2015.

H.R. 3989. An act to authorize the Secretary of the Interior to conduct a special resource study to determine the suitability and feasibility of adding the Heart Mountain Relocation Center, in the State of Wyoming, as a unit of the National Park System.

H.R. 4438. An act to authorize the Secretary of the Interior to expand the boundary of the Park, to conduct a study of potential land acquisitions, and for other purposes.

H.R. 4514. An act to authorize the Secretary of the Interior to conduct a special resource study to determine the suitability and feasibility of designating the Colonel Charles Young Home in Xenia, Ohio as a unit of the National Park System, and for other purposes.

H.R. 4686. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating prehistoric, historic, and limestone forest sites on Rota, Commonwealth of the Northern Mariana Islands, as a unit of the National Park System.

H.R. 4773. An act to authorize the Secretary of the Interior to lease certain lands within Fort Pulaski National Monument, and for other purposes.

H.R. 4973. An act to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, and for other purposes.

The message also announced that the House agreed to the amendment of the Senate to the bill (H.R. 689) to interchange the administrative jurisdiction of certain Federal lands between the Forest Service and the Bureau of Land Management, and for other purposes.

At 12:27 p.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 83. Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes.

At 2:47 p.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the House agreed to the amendments of the Senate to the bill (H.R. 4840) to designate the facility of the United States Postal Service located at 1979 Cleveland Avenue in Columbus, Ohio, as the "Clarence D. Lumpkin Post Office".

#### MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3967. An act to amend the National Great Black Americans Commemoration Act of 2004 to authorize appropriations through fiscal year 2015; to the Committee on the Judiciary.

H.R. 4686. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating prehistoric, historic, and limestone forest sites on Rota, Commonwealth of the Northern Mariana Islands, as a unit of the National Park System; to the Committee on Energy and Natural Resources.

H.R. 4773. An act to authorize the Secretary of the Interior to lease certain lands within Fort Pulaski National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4973. An act to amend the Fish and Wildlife Act of 1956 to reauthorize volunteer programs and community partnerships for national wildlife refuges, and for other purposes; to the Committee on Environment and Public Works.

#### MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 5618. An act to continue Federal unemployment programs.

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3923. An act to provide for the exchange of certain land located in the Arap-

aho-Roosevelt National Forests in the State of Colorado, and for other purposes.

#### MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3588. A bill to limit the moratorium on certain permitting and drilling activities issued by the Secretary of the Interior, and for other purposes.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-6602. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Homobrassinolide; Exemption from the Requirement of a Tolerance" (FRL No. 8831-2) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6603. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Acetic Acid; Exemption from the Requirement of a Tolerance" (FRL No. 8833-8) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6604. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Residues of Quaternary Ammonium Compounds, N-Alkyl (C12-14) Dimethyl Ethylbenzyl Ammonium Chloride; Exemption from the Requirement of a Tolerance" (FRL No. 8833-2) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6605. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Hexythiazox; Pesticide Tolerances" (FRL No. 8833-6) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6606. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Cyazofamid; Pesticide Tolerances" (FRL No. 8833-1) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6607. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Castor Oil, Ethoxylated, Oleate; Tolerance Exemption" (FRL No. 8834-4) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6608. A communication from the Secretary of Health and Human Services, trans-

mitting, pursuant to law, a report relative to violations of the Antideficiency Act in connection with a fiscal year 2009 health care facilities construction project in Nome, Alaska; to the Committee on Appropriations.

EC-6609. A communication from the Secretary of Defense, transmitting a report on the approved retirement of General Stanley A. McChrystal, United States Army, and his advancement to the grade of general on the retired list; to the Committee on Armed Services.

EC-6610. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting the report of (4) officers authorized to wear the insignia of the grade of major general and brigadier general, as appropriate, in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

EC-6611. A communication from the Commission on Wartime Contracting in Iraq and Afghanistan, transmitting, pursuant to law, a report entitled "Better Planning for Defense-to-State Transition in Iraq Needed to Avoid Mistakes and Waste"; to the Committee on Armed Services.

EC-6612. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Changes in Flood Elevation Determinations" ((44 CFR Part 65) (Docket No. FEMA-2010-0003)) received in the Office of the President of the Senate on July 13, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC-6613. A communication from the Paperwork Clearance Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Unfair or Deceptive Acts or Practices; Amendment" (RIN1550-AC38) received in the Office of the President of the Senate on July 13, 2010; to the Committee on Banking, Housing, and Urban Affairs.

EC-6614. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "Report to Congress on Dedicated Ethanol Pipeline Feasibility"; to the Committee on Energy and Natural Resources.

EC-6615. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Lead; Clearance and Clearance Testing Requirements for the Renovation, Repair, and Painting Program; Reopening of Comment Period" (FRL No. 8836-1) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Environment and Public Works.

EC-6616. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Extension of Deadline for Action on Section 126 Petition from New Jersey" (FRL No. 9174-5) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Environment and Public Works.

EC-6617. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California State Implementation Plan, Sacramento Metropolitan Air Quality Management District and South Coast Air Quality Management District" (FRL No. 9172-3) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Environment and Public Works.

EC-6618. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Terpene Constituents of the Extract of *Chenopodium ambrosioides* near *ambrosioides* (a-Terpinene, d-Limonene and p-Cymene) as Synthetically Manufactured; Exemption from the Requirement of a Tolerance" (FRL No. 8831-4) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Environment and Public Works.

EC-6619. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Wisconsin; Redesignation of the Manitowish County and Door County Areas to Attainment for Ozone" (FRL No. 9172-9) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Environment and Public Works.

EC-6620. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Texas; Revisions to the New Source Review (NSR) State Implementation Plan (SIP); Flexible Permits" (FRL No. 9174-1) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Environment and Public Works.

EC-6621. A communication from the Director of the Regulatory Management Division, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Mandatory Reporting of Greenhouse Gases from Magnesium Production, Underground Coal Mines, Industrial Wastewater Treatment, and Industrial Waste Landfills" (FRL No. 9171-1) received during adjournment of the Senate in the Office of the President of the Senate on July 9, 2010; to the Committee on Environment and Public Works.

EC-6622. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Clean Watersheds Needs Survey 2008 Report to Congress"; to the Committee on Environment and Public Works.

EC-6623. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "Report to Congress on Abnormal Occurrences: Fiscal Year 2009"; to the Committee on Environment and Public Works.

EC-6624. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Update of Weighted Average Interest Rates, Yield Curves, and Segment Rates" (Notice No. 2010-52) received in the Office of the President of the Senate on July 13, 2010; to the Committee on Finance.

EC-6625. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Excise Taxes on Prohibited Tax Shelter Transactions and Related Disclosure Requirements; Disclosure Requirements with Respect to Prohibited Tax Shelter Transactions; Requirement of

Return and Time for Filing" ((TD 9492) (RIN1545-BG18)) received in the Office of the President of the Senate on July 13, 2010; to the Committee on Finance.

EC-6626. A communication from the Senior Advisor for Regulations, Office of Regulations, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled "Amendments to Regulations Regarding Major Life-Changing Events Affecting Income-Related Monthly Adjustment Amounts to Medicare Part B Premiums" (RIN0960-AH06) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Finance.

EC-6627. A communication from the Program Manager, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare and Medicaid Programs; Electronic Health Record Incentive Program" (RIN0938-AP78) received in the Office of the President of the Senate on July 13, 2010; to the Committee on Finance.

EC-6628. A communication from the Office Manager, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medicare Program; Changes to the Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System for Calendar Year 2010, and Extension of Part B Payment for Services Furnished by Hospitals or Clinics Operated by the Indian Health Service, Indian Tribes, or Tribal Organizations Made by the Affordable Care Act and ASC Changes Made by Previous Correction Notices" (RIN0938-AQ08) received in the Office of the President of the Senate on July 12, 2010; to the Committee on Finance.

EC-6629. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, a report entitled "Review of Medicare Contractor Information Security Program Evaluations for Fiscal Year 2007"; to the Committee on Finance.

EC-6630. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, two reports entitled "Guidance and Standards on Language Access Services: Medicare Provides" and "Guidance and Standards on Language Access Services: Medicare Plans"; to the Committee on Finance.

EC-6631. A communication from the Acting Deputy Assistant Administrator, Bureau for Legislative and Public Affairs, Agency for International Development (USAID), transmitting, pursuant to law, a report relative to purchases of articles, materials, and supplies that were manufactured outside of the United States for fiscal year 2009; to the Committee on Foreign Relations.

EC-6632. A communication from the Assistant Secretary, Bureau of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed technical assistance agreement for the export of defense articles, including technical data, and defense services to the United Kingdom in support of the sale of Hellfire II missiles in the amount of \$25,000,000 or more; to the Committee on Foreign Relations.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary:

Report to accompany S. 1376, a bill to restore immunization and sibling age exemp-

tions for children adopted by United States citizens under the Hague Convention on Intercountry Adoption to allow their admission to the United States (Rept. No. 111—220).

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 2765. A bill to amend title 28, United States Code, to prohibit recognition and enforcement of foreign defamation judgments and certain foreign judgments against the providers of interactive computer services.

By Mr. BAUCUS, from the Committee on Finance, without amendment:

S.J. Res. 29. A joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

#### INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. SCHUMER (for himself and Mr. DODD):

S. 3577. A bill to encourage savings, promote financial literacy, and expand opportunities for young adults by establishing Lifetime Savings Accounts; to the Committee on Finance.

By Mr. JOHANNIS (for himself, Mr. INHOFE, Mr. COBURN, Mr. THUNE, Mr. VITTER, Mr. BARRASSO, Mr. CORNYN, Mr. RISCH, Mr. ENSIGN, Mr. CRAPO, Ms. MURKOWSKI, Mr. ISAKSON, Mr. ROBERTS, and Mr. ENZI):

S. 3578. A bill to repeal the expansion of information reporting requirements for payments of \$600 or more to corporations, and for other purposes; to the Committee on Finance.

By Mr. CARPER (for himself and Mr. BENNETT):

S. 3579. A bill to protect information relating to consumers, to require notice of security breaches, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BEGICH:

S. 3580. A bill to amend the Oil Pollution Act of 1990 to permit funds in the Oil Spill Liability Trust to be used by the National Oceanic and Atmospheric Administration, the Coast Guard, and other Federal agencies for certain research, prevention, and response capabilities with respect to discharges of oil, for environmental studies, and for grant programs to communities affected by oil spills on the outer Continental Shelf, and to provide funding for such uses; to the Committee on Finance.

By Mr. LUGAR:

S. 3581. A bill to implement certain defense trade treaties; to the Committee on Foreign Relations.

By Mr. CASEY (for himself, Mr. BURRIS, Mrs. MURRAY, Mr. KAUFMAN, Mrs. McCASKILL, Mr. NELSON of Nebraska, and Mrs. BOXER):

S. 3582. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for amounts paid by a spouse of a member of the Armed Forces for a new State license or certification required by reason of a permanent change in the duty station of such member to another State; to the Committee on Finance.

By Mrs. MURRAY (for herself, Mr. SANDERS, Ms. SNOWE, and Ms. COLLINS):

S. 3583. A bill to amend title 38, United States Code, to increase flexibility in payments for State veterans homes, and for

other purposes; to the Committee on Veterans' Affairs.

By Mr. BEGICH:

S. 3584. A bill to direct the Administrator of the National Oceanic and Atmospheric Administration to institute research into the special circumstances associated with oil spill prevention and response in the Arctic waters, including assessment of impacts on Arctic marine mammals and other wildlife, marine debris research and removal, and risk assessment, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. UDALL of Colorado (for himself and Mr. BENNET):

S. 3585. A bill to amend title 10, United States Code, to reform Department of Defense energy policy, and for other purposes; to the Committee on Armed Services.

By Mr. REID (for himself, Mr. TESTER, Mr. MERKLEY, Mr. UDALL of Colorado, and Mr. BEGICH):

S. 3586. A bill to promote the mapping and development of United States geothermal resources by establishing a direct loan program for high risk geothermal exploration wells; to the Committee on Energy and Natural Resources.

By Mr. REID (for himself and Mr. TESTER):

S. 3587. A bill to require the Secretary of the Interior to establish a competitive leasing program for wind and solar energy development on Federal land, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. VITTER (for himself, Mr. CORNYN, and Mr. WICKER):

S. 3588. A bill to limit the moratorium on certain permitting and drilling activities issued by the Secretary of the Interior, and for other purposes; read the first time.

By Mr. ROCKEFELLER (for himself and Mr. VOINOVICH):

S. 3589. A bill to provide financial incentives and a regulatory framework to facilitate the development and early deployment of carbon capture and sequestration technologies, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ROCKEFELLER (for himself and Mr. VOINOVICH):

S. 3590. A bill to amend the Internal Revenue Code of 1986 to provide financial incentives to facilitate the development and early deployment of carbon capture and sequestration technologies, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER (for himself and Mr. VOINOVICH):

S. 3591. A bill to provide financial incentives and a regulatory framework to facilitate the development and early deployment of carbon capture and sequestration technologies, and for other purposes; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. UDALL of New Mexico:

S. Res. 581. A resolution honoring the educational and scientific significance of Dr. Jane Goodall on the 50th anniversary of the beginning of her work in what is today Gombe Stream National Park in Tanzania; to the Committee on the Judiciary.

By Mr. WICKER (for himself, Ms. LANDRIEU, Mr. COCHRAN, Mr. CORNYN, Mrs. HUTCHISON, Mr. LEMIEUX, Mr. NELSON of Florida, Mr. SESSIONS, Mr. SHELBY, and Mr. VITTER):

S. Res. 582. A resolution recognizing the economic and environmental impacts of the British Petroleum oil spill on the people of the Gulf Coast and their way of life and urging British Petroleum to give all due consideration to offers of assistance, products, or services from the States directly impacted by the Deepwater Horizon oil spill; to the Committee on Environment and Public Works.

#### ADDITIONAL COSPONSORS

S. 305

At the request of Mr. SCHUMER, the name of the Senator from Minnesota (Ms. KLOBUCHAR) was added as a cosponsor of S. 305, a bill to amend title IV of the Public Health Service Act to create a National Childhood Brain Tumor Prevention Network to provide grants and coordinate research with respect to the causes of and risk factors associated with childhood brain tumors, and for other purposes.

S. 335

At the request of Mrs. GILLIBRAND, the names of the Senator from Alaska (Mr. BEGICH), the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from New Jersey (Mr. MENENDEZ) were added as cosponsors of S. 335, a bill to amend part D of title IV of the Social Security Act to repeal a fee imposed by States on certain child support collections.

S. 457

At the request of Mr. THUNE, the name of the Senator from Tennessee (Mr. CORKER) was added as a cosponsor of S. 457, a bill to establish pilot projects under the Medicare program to provide incentives for home health agencies to utilize home monitoring and communications technologies.

S. 981

At the request of Mr. REID, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 981, a bill to support research and public awareness activities with respect to inflammatory bowel disease, and for other purposes.

S. 1055

At the request of Mrs. BOXER, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 1055, a bill to grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II.

S. 1249

At the request of Ms. KLOBUCHAR, the name of the Senator from Minnesota (Mr. FRANKEN) was added as a cosponsor of S. 1249, a bill to amend title XVIII of the Social Security Act to create a value indexing mechanism for the physician work component of the Medicare physician fee schedule.

S. 1273

At the request of Mr. DORGAN, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 1273, a bill to amend the Pub-

lic Health Service Act to provide for the establishment of permanent national surveillance systems for multiple sclerosis, Parkinson's disease, and other neurological diseases and disorders.

S. 1562

At the request of Mr. BEGICH, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 1562, a bill to provide for a study and report on research on the United States Arctic Ocean and for other purposes.

S. 1674

At the request of Mr. WYDEN, the name of the Senator from Minnesota (Mr. FRANKEN) was added as a cosponsor of S. 1674, a bill to provide for an exclusion under the Supplemental Security Income program and the Medicaid program for compensation provided to individuals who participate in clinical trials for rare diseases or conditions.

S. 1775

At the request of Mr. BAYH, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1775, a bill to amend the Higher Education Act of 1965 to provide that interest shall not accrue on Federal Direct Loans for members of the Armed Forces on active duty regardless of the date of disbursement.

S. 1932

At the request of Mr. MCCAIN, the name of the Senator from Mississippi (Mr. WICKER) was added as a cosponsor of S. 1932, a bill to amend the Elementary and Secondary Education Act of 1965 to allow members of the Armed Forces who served on active duty on or after September 11, 2001, to be eligible to participate in the Troops-to-Teachers Program, and for other purposes.

S. 3293

At the request of Mr. HARKIN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 3293, a bill to reauthorize the Special Olympics Sport and Empowerment Act of 2004, to provide assistance to Best Buddies to support the expansion and development of mentoring programs, and for other purposes.

S. 3397

At the request of Ms. KLOBUCHAR, the name of the Senator from Tennessee (Mr. CORKER) was added as a cosponsor of S. 3397, a bill to amend the Controlled Substances Act to provide for take-back disposal of controlled substances in certain instances, and for other purposes.

S. 3434

At the request of Mr. BINGAMAN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 3434, a bill to provide for the establishment of a Home Star Retrofit Rebate Program, and for other purposes.

S. 3570

At the request of Ms. MURKOWSKI, the name of the Senator from Idaho (Mr. RISCH) was added as a cosponsor of S.

3570, a bill to improve hydropower, and for other purposes.

S. 3575

At the request of Mr. DURBIN, the name of the Senator from Tennessee (Mr. CORKER) was added as a cosponsor of S. 3575, a bill to amend and reauthorize the controlled substance monitoring program under section 3990 of the Public Health Service Act and to authorize the Secretary of Veterans Affairs to share information about the use of controlled substances by veterans with State prescription monitoring programs to prevent misuse and diversion of prescription medicines.

S. RES. 519

At the request of Mr. DEMINT, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. Res. 519, a resolution expressing the sense of the Senate that the primary safeguard for the well-being and protection of children is the family, and that the primary safeguards for the legal rights of children in the United States are the Constitutions of the United States and the several States, and that, because the use of international treaties to govern policy in the United States on families and children is contrary to principles of self-government and federalism, and that, because the United Nations Convention on the Rights of the Child undermines traditional principles of law in the United States regarding parents and children, the President should not transmit the Convention to the Senate for its advice and consent.

AMENDMENT NO. 4417

At the request of Mr. BAUCUS, the name of the Senator from New Mexico (Mr. UDALL) was added as a cosponsor of amendment No. 4417 intended to be proposed to H.R. 5297, an act to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

AMENDMENT NO. 4442

At the request of Mr. BURRIS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of amendment No. 4442 intended to be proposed to H.R. 5297, an act to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

AMENDMENT NO. 4453

At the request of Mr. THUNE, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of amendment No. 4453 intended to be proposed to H.R. 5297, an act to create

the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

AMENDMENT NO. 4464

At the request of Mr. DEMINT, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of amendment No. 4464 intended to be proposed to H.R. 5297, an act to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CARPER (for himself and Mr. BENNETT):

S. 3579. A bill to protect information relating to consumers, to require notice of security breaches, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. CARPER. Mr. President, I rise today with my colleague Senator BENNETT to introduce an important and bipartisan piece of legislation that will help protect American's from identity and financial theft.

As you may have heard in the news, in 2009 Heartland Payment Systems—a national company that processes payments for retailers and restaurants located in nearly all 50 states—was hacked, leaving possibly 100 million people at risk of identity fraud or financial theft. These types of scenarios happen more than we would like and have the potential to keep American's from getting a loan, a new bank account, or—in worst case scenarios—from even paying the monthly bills. This situation is simply unacceptable and this bill will help address these serious problems.

Our bill requires entities such as financial institutions, retailers, and Federal agencies to safeguard sensitive information before it is compromised, investigate possible security breaches, and to notify customers when there is a substantial risk of identity theft or account fraud.

For example, these new requirements would apply to retailers who take credit card information, data brokers who compile private information, and government agencies that possess non-public personal information.

My colleague and I modeled our legislation after the data security and breach-response regime established under the Gramm-Leach-Bliley Act of 1999, and subsequent regulations. It also builds on existing law to better ensure federal and state regulators com-

ply with the law and to make certain that data security procedures are uniformly applied.

Lastly, we need to replace the current patchwork of State and Federal regulations for identity theft with a national law, like this one, that provides uniform protections across the country. Our comprehensive approach will better serve consumers by making it easier for businesses and government agencies to take the steps necessary to adequately protect all Americans from identity theft and account fraud.

I look forward to working with my colleagues to get this important and necessary bill enacted before it is too late. I think everyone can agree that our identities and bank accounts are some of the most important aspects of our lives and that, if stolen, can at a minimum make life extremely difficult.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3579

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Data Security Act of 2010".

#### SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) **AFFILIATE.**—The term "affiliate" means any company that controls, is controlled by, or is under common control with another company.

(2) **AGENCY.**—The term "agency" has the same meaning as in section 551(1) of title 5, United States Code.

#### (3) BREACH OF DATA SECURITY.—

(A) **IN GENERAL.**—The term "breach of data security" means the unauthorized acquisition of sensitive account information or sensitive personal information.

(B) **EXCEPTION FOR DATA THAT IS NOT IN USABLE FORM.—**

(i) **IN GENERAL.**—The term "breach of data security" does not include the unauthorized acquisition of sensitive account information or sensitive personal information that is maintained or communicated in a manner that is not usable—

(I) to commit identity theft; or

(II) to make fraudulent transactions on financial accounts.

(ii) **RULE OF CONSTRUCTION.**—For purposes of this subparagraph, information that is maintained or communicated in a manner that is not usable includes any information that is maintained or communicated in an encrypted, redacted, altered, edited, or coded form.

(4) **COMMISSION.**—The term "Commission" means the Federal Trade Commission.

(5) **CONSUMER.**—The term "consumer" means an individual.

(6) **CONSUMER REPORTING AGENCY THAT COMPILES AND MAINTAINS FILES ON CONSUMERS ON A NATIONWIDE BASIS.**—The term "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" has the same meaning as in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)).

(7) **COVERED ENTITY.—**

(A) **IN GENERAL.**—The term "covered entity" means any—

(i) entity, the business of which is engaging in financial activities, as described in section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k));

(ii) financial institution, including any institution described in section 313.3(k) of title 16, Code of Federal Regulations, as in effect on the date of enactment of this Act;

(iii) entity that maintains or otherwise possesses information that is subject to section 628 of the Fair Credit Reporting Act (15 U.S.C. 1681w); or

(iv) other individual, partnership, corporation, trust, estate, cooperative, association, or entity that maintains or communicates sensitive account information or sensitive personal information.

(B) EXCEPTION.—The term “covered entity” does not include any agency or any other unit of Federal, State, or local government or any subdivision of such unit.

(8) FINANCIAL INSTITUTION.—The term “financial institution” has the same meaning as in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809).

(9) SENSITIVE ACCOUNT INFORMATION.—The term “sensitive account information” means a financial account number relating to a consumer, including a credit card number or debit card number, in combination with any security code, access code, password, or other personal identification information required to access the financial account.

(10) SENSITIVE PERSONAL INFORMATION.—

(A) IN GENERAL.—The term “sensitive personal information” means the first and last name, address, or telephone number of a consumer, in combination with any of the following relating to such consumer:

(i) Social security account number.

(ii) Driver’s license number or equivalent State identification number.

(iii) Taxpayer identification number.

(B) EXCEPTION.—The term “sensitive personal information” does not include publicly available information that is lawfully made available to the general public from—

(i) Federal, State, or local government records; or

(ii) widely distributed media.

(11) SUBSTANTIAL HARM OR INCONVENIENCE.—

(A) IN GENERAL.—The term “substantial harm or inconvenience” means—

(i) material financial loss to, or civil or criminal penalties imposed on, a consumer, due to the unauthorized use of sensitive account information or sensitive personal information relating to such consumer; or

(ii) the need for a consumer to expend significant time and effort to correct erroneous information relating to the consumer, including information maintained by a consumer reporting agency, financial institution, or government entity, in order to avoid material financial loss, increased costs, or civil or criminal penalties, due to the unauthorized use of sensitive account information or sensitive personal information relating to such consumer.

(B) EXCEPTION.—The term “substantial harm or inconvenience” does not include—

(i) changing a financial account number or closing a financial account; or

(ii) harm or inconvenience that does not result from identity theft or account fraud.

### SEC. 3. PROTECTION OF INFORMATION AND SECURITY BREACH NOTIFICATION.

(a) SECURITY PROCEDURES REQUIRED.—

(1) IN GENERAL.—Each covered entity shall implement, maintain, and enforce reasonable policies and procedures to protect the confidentiality and security of sensitive account information and sensitive personal information which is maintained or is being communicated by or on behalf of a covered entity, from the unauthorized use of such information that is reasonably likely to result in

substantial harm or inconvenience to the consumer to whom such information relates.

(2) LIMITATION.—Any policy or procedure implemented or maintained under paragraph (1) shall be appropriate to the—

(A) size and complexity of a covered entity;

(B) nature and scope of the activities of such entity; and

(C) sensitivity of the consumer information to be protected.

(b) INVESTIGATION REQUIRED.—

(1) IN GENERAL.—If a covered entity determines that a breach of data security has or may have occurred in relation to sensitive account information or sensitive personal information that is maintained or is being communicated by, or on behalf of, such covered entity, the covered entity shall conduct an investigation—

(A) to assess the nature and scope of the breach;

(B) to identify any sensitive account information or sensitive personal information that may have been involved in the breach; and

(C) to determine if such information is reasonably likely to be misused in a manner causing substantial harm or inconvenience to the consumers to whom the information relates.

(2) NEURAL NETWORKS AND INFORMATION SECURITY PROGRAMS.—In determining the likelihood of misuse of sensitive account information under paragraph (1)(C), a covered entity shall consider whether any neural network or security program has detected, or is likely to detect or prevent, fraudulent transactions resulting from the breach of security.

(c) NOTICE REQUIRED.—If a covered entity determines under subsection (b)(1)(C) that sensitive account information or sensitive personal information involved in a breach of data security is reasonably likely to be misused in a manner causing substantial harm or inconvenience to the consumers to whom the information relates, such covered entity, or a third party acting on behalf of such covered entity, shall—

(1) notify, in the following order—

(A) the appropriate agency or authority identified in section 5;

(B) an appropriate law enforcement agency;

(C) any entity that owns, or is obligated on, a financial account to which the sensitive account information relates, if the breach involves a breach of sensitive account information;

(D) each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, if the breach involves sensitive personal information relating to 5,000 or more consumers; and

(E) all consumers to whom the sensitive account information or sensitive personal information relates; and

(2) take reasonable measures to restore the security and confidentiality of the sensitive account information or sensitive personal information involved in the breach.

(d) COMPLIANCE.—

(1) IN GENERAL.—A financial institution shall be deemed to be in compliance with—

(A) subsection (a), and any regulations prescribed under such subsection, if such institution maintains policies and procedures to protect the confidentiality and security of sensitive account information and sensitive personal information that are consistent with the policies and procedures of such institution that are designed to comply with the requirements of section 501(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801(b)) and any regulations or guidance prescribed under that section that are applicable to such institution; and

(B) subsections (b) and (c), and any regulations prescribed under such subsections, if such institution—

(i)(I) maintains policies and procedures to investigate and provide notice to consumers of breaches of data security that are consistent with the policies and procedures of such institution that are designed to comply with the investigation and notice requirements established by regulations or guidance under section 501(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801(b)) that are applicable to such institution; or

(II) is an affiliate of a bank holding company that maintains policies and procedures to investigate and provide notice to consumers of breaches of data security that are consistent with the policies and procedures of a bank that is an affiliate of such institution, and that bank’s policies and procedures are designed to comply with the investigation and notice requirements established by any regulations or guidance under section 501(b) of the Gramm-Leach-Bliley Act (15 U.S.C. 6801(b)) that are applicable to that bank; and

(ii) provides for notice to the entities described under subparagraphs (B), (C), and (D) of subsection (c)(1), if notice is provided to consumers pursuant to the policies and procedures of such institution described in clause (i).

(2) DEFINITIONS.—For purposes of this subsection, the terms “bank holding company” and “bank” shall have the same meaning given such terms under section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

### SEC. 4. IMPLEMENTING REGULATIONS.

(a) IN GENERAL.—Except as provided under section 6, the agencies and authorities identified in section 5, with respect to the covered entities that are subject to the respective enforcement authority of such agencies and authorities, shall prescribe regulations to implement this Act.

(b) COORDINATION.—Each agency and authority required to prescribe regulations under subsection (a) shall consult and coordinate with each other agency and authority identified in section 5 so that, to the extent possible, the regulations prescribed by each agency and authority are consistent and comparable.

(c) METHOD OF PROVIDING NOTICE TO CONSUMERS.—The regulations required under subsection (a) shall—

(1) prescribe the methods by which a covered entity shall notify a consumer of a breach of data security under section 3; and

(2) allow a covered entity to provide such notice by—

(A) written, telephonic, or e-mail notification; or

(B) substitute notification, if providing written, telephonic, or e-mail notification is not feasible due to—

(i) lack of sufficient contact information for the consumers that must be notified; or

(ii) excessive cost to the covered entity.

(d) CONTENT OF CONSUMER NOTICE.—The regulations required under subsection (a) shall—

(1) prescribe the content that shall be included in a notice of a breach of data security that is required to be provided to consumers under section 3; and

(2) require such notice to include—

(A) a description of the type of sensitive account information or sensitive personal information involved in the breach of data security;

(B) a general description of the actions taken by the covered entity to restore the security and confidentiality of the sensitive account information or sensitive personal information involved in the breach of data security; and

(C) the summary of rights of victims of identity theft prepared by the Commission under section 609(d) of the Fair Credit Reporting Act (15 U.S.C. 1681g), if the breach of data security involves sensitive personal information.

(e) **TIMING OF NOTICE.**—The regulations required under subsection (a) shall establish standards for when a covered entity shall provide any notice required under section 3.

(f) **LAW ENFORCEMENT DELAY.**—The regulations required under subsection (a) shall allow a covered entity to delay providing notice of a breach of data security to consumers under section 3 if a law enforcement agency requests such a delay in writing.

(g) **SERVICE PROVIDERS.**—The regulations required under subsection (a) shall—

(1) require any party that maintains or communicates sensitive account information or sensitive personal information on behalf of a covered entity to provide notice to that covered entity if such party determines that a breach of data security has, or may have, occurred with respect to such information; and

(2) ensure that there is only 1 notification responsibility with respect to a breach of data security.

(h) **TIMING OF REGULATIONS.**—The regulations required under subsection (a) shall—

(1) be issued in final form not later than 6 months after the date of enactment of this Act; and

(2) take effect not later than 6 months after the date on which they are issued in final form.

#### **SEC. 5. ADMINISTRATIVE ENFORCEMENT.**

(a) **IN GENERAL.**—Section 3, and the regulations required under section 4, shall be enforced exclusively under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) a national bank, a Federal branch or Federal agency of a foreign bank, or any subsidiary thereof (other than a broker, dealer, person providing insurance, investment company, or investment adviser), by the Office of the Comptroller of the Currency;

(B) a member bank of the Federal Reserve System (other than a national bank), a branch or agency of a foreign bank (other than a Federal branch, Federal agency, or insured State branch of a foreign bank), a commercial lending company owned or controlled by a foreign bank, an organization operating under section 25 or 25A of the Federal Reserve Act (12 U.S.C. 601,604), or a bank holding company and its nonbank subsidiary or affiliate (other than a broker, dealer, person providing insurance, investment company, or investment adviser), by the Board of Governors of the Federal Reserve System;

(C) a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System), an insured State branch of a foreign bank, or any subsidiary thereof (other than a broker, dealer, person providing insurance, investment company, or investment adviser), by the Board of Directors of the Federal Deposit Insurance Corporation; and

(D) a savings association, the deposits of which are insured by the Federal Deposit Insurance Corporation, or any subsidiary thereof (other than a broker, dealer, person providing insurance, investment company, or investment adviser), by the Director of the Office of Thrift Supervision;

(2) the Federal Credit Union Act (12 U.S.C. 1751 et seq.), by the National Credit Union Administration Board with respect to any federally insured credit union;

(3) the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), by the Securities and Exchange Commission with respect to any broker or dealer;

(4) the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), by the Securities and Exchange Commission with respect to any investment company;

(5) the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.), by the Securities and Exchange Commission with respect to any investment adviser registered with the Securities and Exchange Commission under that Act;

(6) the Commodity Exchange Act (7 U.S.C. 1 et seq.), by the Commodity Futures Trading Commission with respect to any futures commission merchant, commodity trading advisor, commodity pool operator, or introducing broker;

(7) the provisions of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.), by the Director of Federal Housing Enterprise Oversight (and any successor to such functional regulatory agency) with respect to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and any other entity or enterprise (as defined in that title) subject to the jurisdiction of such functional regulatory agency under that title, including any affiliate of any such enterprise;

(8) State insurance law, in the case of any person engaged in providing insurance, by the applicable State insurance authority of the State in which the person is domiciled; and

(9) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), by the Commission for any other covered entity that is not subject to the jurisdiction of any agency or authority described under paragraphs (1) through (8).

(b) **EXTENSION OF FEDERAL TRADE COMMISSION ENFORCEMENT AUTHORITY.**—The authority of the Commission to enforce compliance with section 3, and the regulations required under section 4, under subsection (a)(8) shall—

(1) notwithstanding the Federal Aviation Act of 1958 (49 U.S.C. App. 1301 et seq.), include the authority to enforce compliance by air carriers and foreign air carriers; and

(2) notwithstanding the Packers and Stockyards Act (7 U.S.C. 181 et seq.), include the authority to enforce compliance by persons, partnerships, and corporations subject to the provisions of that Act.

(c) **NO PRIVATE RIGHT OF ACTION.**—

(1) **IN GENERAL.**—This Act, and the regulations prescribed under this Act, may not be construed to provide a private right of action, including a class action with respect to any act or practice regulated under this Act.

(2) **CIVIL AND CRIMINAL ACTIONS.**—No civil or criminal action relating to any act or practice governed under this Act, or the regulations prescribed under this Act, shall be commenced or maintained in any State court or under State law, including a pending State claim to an action under Federal law.

#### **SEC. 6. PROTECTION OF INFORMATION AT FEDERAL AGENCIES.**

(a) **DATA SECURITY STANDARDS.**—Each agency shall implement appropriate standards relating to administrative, technical, and physical safeguards—

(1) to insure the security and confidentiality of the sensitive account information and sensitive personal information that is maintained or is being communicated by, or on behalf of, that agency;

(2) to protect against any anticipated threats or hazards to the security of such information; and

(3) to protect against misuse of such information, which could result in substantial harm or inconvenience to a consumer.

(b) **SECURITY BREACH NOTIFICATION STANDARDS.**—Each agency shall implement appropriate standards providing for notification of consumers when such agency determines

that sensitive account information or sensitive personal information that is maintained or is being communicated by, or on behalf of, such agency—

(1) has been acquired without authorization; and

(2) is reasonably likely to be misused in a manner causing substantial harm or inconvenience to the consumers to whom the information relates.

#### **SEC. 7. RELATION TO STATE LAW.**

No requirement or prohibition may be imposed under the laws of any State with respect to the responsibilities of any person to—

(1) protect the security of information relating to consumers that is maintained or communicated by, or on behalf of, such person;

(2) safeguard information relating to consumers from potential misuse;

(3) investigate or provide notice of the unauthorized access to information relating to consumers, or the potential misuse of such information for fraudulent, illegal, or other purposes; or

(4) mitigate any loss or harm resulting from the unauthorized access or misuse of information relating to consumers.

#### **SEC. 8. DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.**

(a) **COVERED ENTITIES.**—Sections 3 and 7 shall take effect on the later of—

(1) 1 year after the date of enactment of this Act; or

(2) the effective date of the final regulations required under section 4.

(b) **AGENCIES.**—Section 6 shall take effect 1 year after the date of enactment of this Act.

By Mr. LUGAR:

S. 3581. A bill to implement certain defense trade treaties; to the Committee on Foreign Relations.

Mr. LUGAR. Mr. President, I rise today to introduce the Defense Trade Treaty Implementation Act of 2010.

The purpose of this bill is to provide authority to implement two treaties on defense trade cooperation currently pending before the Senate—one with the United Kingdom and one with Australia. These treaties would facilitate defense cooperation with two close allies by eliminating licensing requirements for certain categories of defense articles.

I have long supported the objectives of these treaties. Indeed, in 2003—before the treaties were negotiated—I introduced legislation that would have provided the President the authority to waive licensing requirements for similar defense trade with the United Kingdom and Australia.

Subsequently, the Bush administration negotiated these treaties, and they were submitted to the Senate in 2007. To date, the Senate has not been able to act on the treaties, in significant part because of confusion and uncertainty about how they would be implemented and enforced in U.S. law.

This legislation would address the problem by providing clear legislative authority under the Arms Export Control Act to implement and enforce the treaties. In particular, it would provide authority to exempt from licensing requirements under the Arms Export Control Act exports of defense articles made in connection with the treaties.

It would provide authority for the President to issue regulations pursuant to the Arms Export Control Act to implement and enforce the treaties. It would provide authority to allow violations or abuses of the treaty to be prosecuted under enforcement provisions of the Arms Export Control Act. It would provide for notification to the Congress of significant exports of defense articles made pursuant to the treaties.

Previous efforts by both the Bush and Obama administrations to develop a viable approach for implementing and enforcing the treaties without new legislation have been unsuccessful to date, and have created unfortunate delays in bringing these treaties into force. I believe that this legislation will put the implementation and enforcement of the treaties on a far sounder and more certain footing, and eliminate the confusion that has led to these delays.

I look forward to working with other members and with the administration on this legislation. It is my hope that passage of this legislation, together with a resolution of advice and consent to the treaties containing appropriate protections for the Senate's role in overseeing arms exports and approving significant future changes to the treaty regime, may allow the treaties to enter into force this year.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3581

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Defense Trade Treaty Implementation Act of 2010".

#### SEC. 2. EXEMPTION FROM REQUIREMENTS FOR BILATERAL AGREEMENTS.

Section 38(j)(1) of the Arms Export Control Act (22 U.S.C. 2778(j)(1)) is amended—

(1) in the subparagraph heading for subparagraph (B), by inserting "FOR CANADA" after "EXCEPTION"; and

(2) by adding at the end the following new subparagraph:

"(C) EXCEPTION FOR DEFENSE TRADE COOPERATION TREATIES.—The requirement to conclude a bilateral agreement in accordance with subparagraph (A) shall not apply with respect to an exemption from the licensing requirements of this Act for the export of defense items to give effect to any of the following defense trade cooperation treaties, provided that the treaty has entered into force pursuant to Article II, Section 2, clause 2 of the Constitution of the United States:

"(i) The Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Defense Trade Cooperation, done at Washington and London June 21 and 26, 2007 (and any implementing arrangement thereto).

"(ii) The Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, done at Sydney September 23, 2007 (and any implementing arrangement thereto)."

#### SEC. 3. ENFORCEMENT.

(a) CRIMINAL VIOLATIONS.—Section 38(c) of such Act is amended by striking "this section or section 39, or any rule or regulation issued under either section" and inserting "this section, section 39, a treaty referred to in subsection (j)(1)(C), or any rule or regulation issued under this section or section 39, including any rule or regulation issued under this section to implement or enforce a treaty referred to in subsection (j)(1)(C) or an implementing arrangement pursuant to such treaty".

(b) ENFORCEMENT POWERS OF PRESIDENT.—Section 38(e) of such Act is amended by striking "defense services," and inserting "defense services, including defense articles and defense services exported or imported pursuant to a treaty referred to in subsection (j)(1)(C)."

(c) NOTIFICATION REGARDING EXEMPTIONS FROM LICENSING REQUIREMENTS.—Section 38(f) of such Act is amended by adding at the end the following new paragraph:

"(4) Paragraph (2) shall not apply with respect to an exemption under subsection (j)(1)(A) to give effect to a treaty referred to in subsection (j)(1)(C) (and any implementing arrangements to such treaty), provided that the President promulgates regulations to implement and enforce such treaty under this section and section 39."

#### SEC. 4. CONGRESSIONAL NOTIFICATION.

(a) ELIGIBILITY FOR DEFENSE ARTICLES OR DEFENSE ARTICLES.—Section 3(d)(3)(A) of such Act (22 U.S.C. 2753(d)(3)(A)) is amended by inserting after "approved under section 38 of this Act" the following: "or has been exempted from the licensing requirements of this Act pursuant to section 38(j) of this Act".

(b) PRESIDENTIAL CERTIFICATIONS.—

(1) EXPORT LICENSES.—Section 36(c) of such Act (22 U.S.C. 2776(c)) is amended by adding at the end the following new paragraph:

"(6) An export pursuant to a treaty referred to in section 38(j)(1)(C) of this Act to which the provisions of paragraph (1) would apply absent an exemption granted under section 38(j)(1) of this Act shall not take place until 15 days after the President has submitted a certification with respect to such export in a similar manner, and containing comparable information, as required under paragraph (1)."

(2) COMMERCIAL TECHNICAL ASSISTANCE OR MANUFACTURING LICENSING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2776(d)) is amended by adding at the end the following new paragraph:

"(6) An export pursuant to a treaty referred to in section 38(j)(1)(C) of this Act to which the provisions of paragraph (1) would apply absent an exemption granted under section 38(j)(1) of this Act shall not take place until 15 days after the President has submitted a certification with respect to such export in a similar manner, and containing comparable information, as required under paragraph (1)."

#### SEC. 5. IMPLEMENTING REGULATIONS.

The President is authorized to issue regulations pursuant to the Arms Export Control Act (22 U.S.C. 2751 et seq.) to implement and enforce the Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Defense Trade Cooperation, done at Washington and London June 21 and 26, 2007 (and any implementing arrangement thereto), and the Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, done at Sydney September 23, 2007 (and any implementing arrangement thereto), consistent with other applicable

provisions of the Arms Export Control Act, as amended by this Act, and with the terms of any resolution of advice and consent adopted by the Senate with respect to either treaty.

#### SEC. 6. RULE OF CONSTRUCTION.

Nothing in this Act, or in the Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Defense Trade Cooperation, done at Washington and London on June 21 and 26, 2007 (and any implementing arrangement thereto), or in the Treaty Between the Government of the United States of America and the Government of Australia Concerning Defense Trade Cooperation, done at Sydney, September 23, 2007 (and any implementing arrangement thereto), or in any regulation issued to implement either treaty, shall be construed to modify or supersede any provision of law or regulation other than the Arms Export Control Act (22 U.S.C. 2751 et seq.), as amended by this Act, and regulations issued pursuant to such Act.

By Mr. UDALL of Colorado (for himself and Mr. BENNET):

S. 3585. A bill to amend title 10, United States Code, to reform Department of Defense energy policy, and for other purposes; to the Committee on Armed Services.

Mr. UDALL of Colorado. Mr. President, today I am introducing legislation to help the Pentagon turn energy from a source of risk to a source of advantage. The Department of Defense, DOD, Energy Security Act would decrease the Pentagon's consumption of petroleum, reduce reliance on the grid, and help plan for the future. All of this would help achieve an important goal that we all support: enhancing our national security.

I am grateful to my former colleague on the House Armed Services Committee, Representative GABRIELLE GIFFORDS of Arizona, who introduced the counterpart bill in the House of Representatives. I am also grateful to Senator BENNET for cosponsoring this legislation. I look forward to continuing to work with both of them on this important legislation and on this important issue.

As a member of the Senate Armed Services Committee and of the Energy and Natural Resources Committee, I have focused on the intersection of defense and energy for some time.

The United States is the world's largest consumer of energy. We depend on foreign imports for nearly 60 percent of our oil. Nearly every military challenge we face is either derived from or impacted by our reliance on fossil fuels and foreign energy sources.

The Pentagon is a large microcosm of this even larger problem. The U.S. military is the single largest consumer of energy in the world—consuming more energy per day than 85 percent of the world's countries. It is the largest electricity consumer in the federal government and the single largest buyer of fuel in the United States—using 2 percent of our total national consumption.

Energy supply security affects DOD's ability to accomplish its mission, and

efforts to secure supply lines and deliver fuel in-theater directly result in the deaths of service members charged with protecting it. But our military's reliance is not just on the battlefield. At home, defense facilities rely on a fragile national grid, leaving critical assets vulnerable. The Defense Science Board found in its 2008 report "More Fight—Less Fuel" that "critical national security and homeland defense missions are at an unacceptably high risk of extended outage from failure of the grid."

The Pentagon's energy consumption has serious national security implications, but it also presents opportunities. As the Logistics Management Institute wrote, "Aggressively developing and applying energy-saving technologies to military applications would potentially do more to solve the most pressing long-term challenges facing DOD and our national security than any other single investment area."

That is why I am introducing this legislation. The Department of Defense Energy Security Act addresses energy supply and use by decreasing consumption by facilities and vehicles and increasing the use of renewable electricity sources to relieve the Department's reliance on external power sources. In addition, the bill sets overarching policies to implement sustainable acquisition practices, sets new DOD Energy Performance Goals, and requires DOD to develop an Energy Performance Plan and an implementation assessment for accomplishing its goal of deriving 25 percent of its electricity from renewable sources by 2025.

Utilizing alternative energy sources and energy efficiency technologies can help our military increase energy reliability and reduce its dependence on oil; improve efficiency in operations, platforms, and vehicles; reduce the costs to taxpayers of military-consumed electricity and fuel; expand portable clean technology options for use in combat and logistics; act as an anchor customer for the alternative fuels and energy efficiency industries; and reduce grid vulnerabilities at our military installations.

Reducing our reliance on fossil fuels and foreign sources of energy is a goal we all share. Helping the Defense Department achieve this goal should be a national priority. I urge my colleagues—of both parties—to join me in supporting this legislation.

By Mr. REID (for himself, Mr. TESTER, Mr. MERKLEY, Mr. UDALL of Colorado, and Mr. BEGICH):

S. 3586. A bill to promote the mapping and development of United States geothermal resources by establishing a direct loan program for high risk geothermal exploration wells; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3586

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Geothermal Exploration Act of 2010".

**SEC. 2. GEOTHERMAL EXPLORATORY DRILLING LOAN PROGRAM.**

(a) DEFINITIONS.—In this section:

(1) FUND.—The term "Fund" means the Geothermal Investment Fund established under subsection (h).

(2) PROGRAM.—The term "program" means the direct loan program for high risk geothermal exploration wells established under this section.

(3) SECRETARY.—The term "Secretary" means the Secretary of Energy

(b) ESTABLISHMENT.—The Secretary shall establish a direct loan program for high risk geothermal exploration wells.

(c) APPLICATIONS.—An applicant that seeks to receive a loan under the program may submit to the Secretary an application for the loan at such time, in such form, and containing such information as the Secretary may prescribe.

(d) PROJECT CRITERIA.—

(1) IN GENERAL.—In selecting applicants for loans under this section to carry out projects under the program, the Secretary shall consider—

(A) the potential for unproven geothermal resources that would be explored and developed under a project;

(B) the expertise and experience of an applicant in developing geothermal resources; and

(C) the importance of the project in meeting the goals of the Department of Energy.

(2) PREFERENCE.—In selecting applicants for loans under this section to carry out projects under the program, the Secretary shall provide a preference for previously unexplored, underexplored, or unproven geothermal resources in a variety of geologic and geographic settings.

(e) DATA SHARING.—Data from all exploratory wells that are carried out under the program shall be provided to the Secretary and the Secretary of the Interior for use in mapping national geothermal resources and other uses, including—

(1) subsurface geologic data;

(2) metadata;

(3) borehole temperature data; and

(4) inclusion in the National Geothermal Data System of the Department of Energy.

(f) ADMINISTRATION.—

(1) COST SHARE.—

(A) IN GENERAL.—The Secretary shall determine the cost share for a loan made under this section.

(B) HIGHER RISKS.—The Secretary may base the cost share percentage for loans made under this section on a sliding scale, with higher Federal shares awarded to projects with higher risks.

(2) NUMBER OF WELLS.—The Secretary shall determine the number of wells for each selected geothermal project for which a loan may be made under this section.

(3) UNPRODUCTIVE PROJECTS.—The Secretary may grant further delays or dispense with the repayment obligation on a demonstration that a selected geothermal project is unproductive.

(g) LOAN REPAYMENT.—

(1) COMMENCEMENT.—The recipient of a loan made under this section for a geothermal facility shall commence repayment of the loan beginning on the earlier of—

(A) the date that is 4 years after the date the loan is made; or

(B) the date on which the geothermal facility enters into commercial production.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term of a loan made under this section shall be 4 years beginning on the applicable loan repayment commencement date under paragraph (1).

(B) EXTENSION.—The Secretary may extend the term of a loan under this section for not more than 4 years.

(3) USE OF LOAN REPAYMENTS.—Amounts repaid on loans made under this section shall be deposited in the Fund.

(h) GEOTHERMAL INVESTMENT FUND.—

(1) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund to be known as the "Geothermal Investment Fund", to be administered by the Secretary, to be available without fiscal year limitation and not subject to appropriation, to carry out this section.

(2) TRANSFERS TO FUND.—The Fund shall consist of such amounts as are appropriated to the Fund under subsection (j).

(3) PROHIBITION.—Amounts in the Fund may not be made available for any purpose other than a purpose described in paragraph (1).

(4) ANNUAL REPORTS.—

(A) IN GENERAL.—Not later than 60 days after the end of each fiscal year beginning with fiscal year 2011, the Secretary of Energy shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report on the operation of the Fund during the fiscal year.

(B) CONTENTS.—Each report shall include, for the fiscal year covered by the report, the following:

(i) A statement of the amounts deposited into the Fund.

(ii) A description of the expenditures made from the Fund for the fiscal year, including the purpose of the expenditures.

(iii) Recommendations for additional authorities to fulfill the purpose of the Fund.

(iv) A statement of the balance remaining in the Fund at the end of the fiscal year.

(i) GUIDELINES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall develop guidelines for the implementation of the program.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2011 through 2020.

By Mr. REID (for himself and Mr.

TESTER):

S. 3587. A bill to require the Secretary of the Interior to establish a competitive leasing program for wind and solar energy development on Federal land, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 3587

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Clean Energy, Community Investment, and Wildlife Conservation Act".

**SEC. 2. DEVELOPMENT OF WIND AND SOLAR ENERGY ON FEDERAL LAND.**

(a) **DEFINITIONS.**—In this section:

(1) **FEDERAL LAND.**—The term “Federal land” means any Federal land under the administrative jurisdiction of the Bureau of Land Management or the Forest Service.

(2) **FUND.**—The term “Fund” means the Renewable Energy Mitigation and Fish and Wildlife Fund established by section 3(b).

(3) **PILOT PROGRAM.**—The term “pilot program” means the wind and solar leasing pilot program established under subsection (b).

(4) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior.

(5) **STATE.**—The term “State” means the State within the boundaries of which income is derived under a lease issued under this section.

(b) **WIND AND SOLAR LEASING PILOT PROGRAM.**—

(1) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, the Secretary shall establish a wind and solar leasing pilot program for Federal land.

(2) **SELECTION OF SITES.**—

(A) **IN GENERAL.**—Not later than 90 days after the date on which the pilot program is established, the Secretary shall select not fewer than 2 sites that are appropriate for the development of a solar energy project, and not fewer than 2 sites that are appropriate for the development of a wind energy project, on Federal land as part of the pilot program.

(B) **SITE SELECTION.**—In carrying out subparagraph (A), the Secretary shall seek to select sites on Federal land—

(i) for which there is likely to be a high level of industry interest; and

(ii) that has comparatively low value for other resources.

(C) **EXCLUSIONS.**—For purposes of this Act only, Federal land suitable for wind and solar development does not include—

(i) any unit of the National Wildlife Refuge System;

(ii) any component of the National Wild and Scenic Rivers System;

(iii) any part of the National Landscape Conservation System;

(iv) any designated wilderness area, wilderness study area, or other area managed for wilderness characteristics;

(v) any inventoried roadless area within the National Forest System;

(vi) any National Historic Landmark;

(vii) any National Historic District or an Archaeological District eligible for or listed in the National Register of Historic Places; or

(viii) other sensitive land, as determined by the Secretary.

(D) **COORDINATION WITH COUNTIES.**—In selecting sites under the pilot program, the Secretary shall—

(i) coordinate site selection activities with the county and State land management and wildlife agencies in whose jurisdiction the Federal land is located; and

(ii) take into consideration local land use planning and zoning requirements and recommendations.

(3) **CONSULTATION.**—In establishing the pilot program and the wind or solar leasing programs under subsection (c), the Secretary shall consult with—

(A) appropriate Federal agencies, including the Department of Defense;

(B) affected States and counties;

(C) Indian tribes;

(D) representatives of the wind and solar industries;

(E) representatives of the environmental, conservation, and fish and wildlife conservation communities;

(F) representatives of the motorized and nonmotorized outdoor recreation communities;

(G) representatives of the ranching and agricultural communities; and

(H) the public.

(4) **WIND AND SOLAR LEASE SALES.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (C)(ii), not later than 180 days after the date on which sites are selected under paragraph (2), the Secretary shall offer each site for competitive leasing to qualified bidders under such terms and conditions as are required by the Secretary.

(B) **BIDDING SYSTEMS.**—In offering the sites for lease, the Secretary—

(i) may vary the bidding systems to be used at each lease sale; but

(ii) shall limit bidding to 1 round in any lease sale.

(C) **LEASE TERMS.**—

(i) **IN GENERAL.**—As part of the pilot program, the Secretary may vary the length of the lease terms and establish such other lease terms and conditions as the Secretary considers appropriate.

(ii) **DATA COLLECTION.**—As part of the pilot program, the Secretary shall—

(I) offer on a noncompetitive basis on at least 1 site a short-term lease for data collection; and

(II) on the expiration of the short-term lease, offer on a competitive basis a long-term lease, giving credit toward the bonus bid to the holder of the short-term lease for any qualified expenditures to collect data to develop the site during the short-term lease.

(D) **QUALIFICATIONS.**—Prior to any lease sale, the Secretary shall establish qualifications for bidders that ensures bidders—

(i) are able to expeditiously develop a wind or solar energy project on the site for lease; and

(ii) possess—

(I) financial resources necessary to complete a project;

(II) knowledge of the applicable technology; and

(III) such other qualifications as determined appropriate by the Secretary.

(5) **COMPLIANCE WITH LAWS.**—In offering for lease the selected sites under (4), the Secretary shall comply with all applicable environmental and other laws.

(6) **REPORT.**—The Secretary shall—

(A) compile a report of the results of each lease sale under the pilot program, including—

(i) the level of competitive interest;

(ii) a summary of bids and revenues received; and

(iii) any other factors that may have impacted the lease sale process; and

(B) not later than 90 days after the final lease sale, submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives the report described in subparagraph (A).

(c) **LEASING PROGRAM FOR WIND AND SOLAR ENERGY.**—

(1) **DETERMINATIONS.**—

(A) **IN GENERAL.**—Not later than 2 years after the date of enactment of this Act, the Secretary shall determine whether to establish leasing programs under this section for wind and solar energy.

(B) **REQUIREMENTS.**—Not later than 180 days after the date on which any determination under subparagraph (A) is made, the Secretary shall establish a leasing program if the Secretary determines that the program—

(i) is in the public interest; and

(ii) provides an effective means of developing wind or solar energy on Federal land.

(C) **REPORT.**—If the Secretary determines that a leasing program should not be estab-

lished, not later than 60 days after the date of the determination, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report describing the reasons and findings for that determination.

(2) **LEASES FOR CERTAIN FEDERAL LAND.**—

(A) **IN GENERAL.**—If the Secretary makes the determination to establish a leasing program under this section, except as provided in subparagraph (B) and pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and the National Forest Management Act of 1976 (16 U.S.C. 1600 et seq.), the Secretary may develop policy and regulations for, and issue leases on, Federal land under the administrative jurisdiction of the Bureau of Land Management and the Forest Service.

(B) **EXCEPTION.**—The Secretary may not issue any lease on National Forest System land under subparagraph (A) over the objection of the Secretary of Agriculture.

(3) **CONSULTATION AND CONSIDERATIONS.**—In making the determinations required under this subsection, the Secretary shall—

(A) consult with—

(i) appropriate Federal agencies, including the Department of Defense;

(ii) affected States and counties;

(iii) Indian tribes;

(iv) representatives of the wind and solar industry;

(v) representatives of the environmental, conservation, and fish and wildlife conservation communities;

(vi) representatives of the motorized and nonmotorized outdoor recreation communities;

(vii) representatives of the ranching and agricultural communities; and

(viii) the public; and

(B) consider the results of the report provided under subsection (b)(6) and the results of the pilot program.

(4) **REQUIREMENTS.**—If the Secretary determines under this subsection that a leasing program should be established, the program shall be carried out in accordance with subsections (d) through (i).

(d) **COMPETITIVE LEASES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), leases for wind or solar energy development under this section shall be issued on a competitive basis with a single round of bidding in any lease sale.

(2) **EXCEPTIONS.**—Paragraph (1) shall not apply to Federal land if the Secretary determines that—

(A) there is no competitive interest for the Federal land;

(B) the public interest would not be served by the competitive issuance of a lease;

(C) the lease is for the placement and operation of a meteorological or data collection facility or for the development or demonstration of a new wind or solar technology and has a term of not more than 5 years;

(D) meteorological testing tower or other data collection device has been installed under an approved easement, special-use permit, or right-of-way issued before the date of enactment of this Act; or

(E) the Federal land is eligible to be granted a noncompetitive lease under subsection (e)(3).

(e) **TRANSITION TO LEASING.**—

(1) **IN GENERAL.**—The Secretary shall continue to accept applications for rights-of-way, review the applications, and provide for the issuance of rights-of-way for the development of wind or solar energy on Federal land in accordance with each requirement described in title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.) during the pilot program and until the

Secretary determines to establish wind and solar leasing programs under subsection (c).

(2) ADMINISTRATION.—If the Secretary determines under subsection (c) that a leasing program should be established, the Secretary shall provide for a reasonable transition from the use of rights-of-way to leases, taking into account paragraphs (3) and (4) and the status of the project, including whether—

(A) rights-of-way for testing or construction have been granted;

(B) a plan of development has been submitted; or

(C) a draft environmental impact statement has been published.

(3) EXISTING RIGHTS-OF-WAY.—

(A) IN GENERAL.—Effective beginning on the date on which the wind and solar leasing programs are established, the Secretary shall not renew an existing right-of-way authorization for wind and solar energy development at the end of the term of the authorization.

(B) LEASE.—

(i) IN GENERAL.—Subject to clause (ii), at the end of the term of the right-of-way authorization for the wind or solar energy project, the Secretary may grant, without a competitive process, a lease to the holder of the right-of-way for the same Federal land as was authorized under the right-of-way authorization.

(ii) TERMS AND CONDITIONS.—Any lease described in clause (i) shall be subject to the terms and conditions generally applicable to other lease sales for similar projects at the time the lease is issued.

(4) PENDING RIGHTS-OF-WAY.—Effective beginning on the date on which the wind and solar leasing programs are established, the Secretary may provide any applicant that has filed a plan of development for a right-of-way for a wind or solar energy project with an option to acquire a noncompetitive lease, under such terms and conditions as are required by this section and the Secretary, for the same Federal land included in the plan of development, if—

(A) the plan of development has been determined by the Secretary to be adequate for the initiation of environmental review; and

(B) granting the lease is consistent with all applicable land use planning, environmental, and other laws.

(f) REQUIREMENTS.—If the Secretary establishes a leasing program under subsection (c), the Secretary shall ensure that any activity under the wind and solar leasing program is carried out in a manner that—

(1) is consistent with all applicable land use planning, environmental, and other laws; and

(2) provides for—

(A) safety;

(B) protection of the environment;

(C) prevention of waste;

(D) diligent development of the resource, with specific milestones determined by the Secretary;

(E) coordination with applicable Federal agencies;

(F) use of best management practices, including planning and practices for mitigation of impacts;

(G) public notice and comment on any proposal submitted for a lease under this section;

(H) oversight, inspection, research, monitoring, and enforcement relating to a lease under this section;

(I) protection of fish and wildlife habitat; and

(J) efficient use of water resources.

(g) LEASE DURATION, SUSPENSION, AND CANCELLATION.—

(1) IN GENERAL.—If the Secretary establishes a leasing program under subsection

(c), subject to paragraph (2), the Secretary shall establish terms and conditions for the duration, issuance, transfer, renewal, suspension, and cancellation of a lease under this section.

(2) MINIMUM TERM.—A wind or solar project with a total capacity of 100 megawatts or more shall be leased for not less than 30 years under this section.

(h) SECURITY.—If the Secretary establishes a leasing program under subsection (c), the Secretary shall require the holder of a lease issued under this section—

(1) to furnish a reclamation bond or other form of security determined to be appropriate by the Secretary;

(2) on completion of the activities authorized by the lease—

(A) to restore the Federal land that is subject to the lease to the condition in which the Federal land existed before the lease was granted; or

(B) to conduct mitigation activities (or payment of funds to be transferred to the Fund in lieu of the activities) if the Secretary determines that restoration of the Federal land to the condition described in subparagraph (A) is impracticable; and

(3) to comply with such other requirements as the Secretary considers necessary to protect the interests of the public and the United States.

(i) BEST MANAGEMENT PRACTICES.—The Secretary shall—

(1) establish best management practices to ensure the sound, efficient, and environmentally responsible development of wind and solar resources on the Federal land in a manner that will minimize consumptive water use, and avoid, minimize, and mitigate actual and anticipated impacts to fish and wildlife habitat and ecosystem function, resulting from development under a lease issued under this section; and

(2) include—

(A) provisions in the lease requiring renewable energy operators to comply with the practices established under paragraph (1); and

(B) such other provisions as the Secretary considers appropriate.

(j) PAYMENTS.—

(1) IN GENERAL.—The Secretary shall establish royalties, fees, rentals, bonuses, or other payments to ensure a fair return to the United States, States, and counties for any right-of-way or lease issued for a wind or solar project on Federal land.

(2) COLLECTION OF PAYMENTS.—

(A) IN GENERAL.—Prior to the collection of royalties under paragraph (4), the Secretary shall collect payments for wind and solar projects in accordance with section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g)).

(B) EXCEPTION.—Wind or solar energy leases issued under this section shall not be subject to the rental fee exemption for rights-of-way under section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g)).

(3) BONUS BIDS.—The Secretary may grant credit toward any bonus bid for a qualified expenditure by the holder of a lease described in subsection (d)(2)(C) in any competitive lease sale held for a long-term lease covering the same Federal land covered by the lease described in subsection (d)(2)(C).

(4) ROYALTIES.—Except as provided in paragraph (6), the Secretary shall develop and enforce a royalty on electricity produced by wind and solar projects on Federal land that—

(A) encourages production of wind or solar energy;

(B) encourages the maximum energy generation using the least quantity of Federal

land and other natural resources, including water;

(C) ensures a fair return (comparable to the return that would be obtained on State and private land) to the public, States, and counties eligible to receive a portion of the revenues under section 3(a); and

(D) encourages the use of energy storage technologies that increase the capacity factor of wind or solar energy generation facilities.

(5) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary shall complete a rulemaking for wind energy and solar energy royalty rates.

(6) ROYALTY RELIEF.—Subject to paragraph (2)(B), to promote the greatest generation of renewable energy, the Secretary may, until fiscal year 2040, provide that no royalty or a reduced royalty is required for a period not to exceed 5 years beginning on the date on which wind or solar generation is initially commenced on the Federal land.

(k) SEGREGATION FROM APPROPRIATION UNDER MINING AND FEDERAL LAND LAWS.—

(1) IN GENERAL.—On selection of Federal land for leasing under this section, the Secretary may temporarily segregate the selected Federal land from appropriation under the mining and public land laws.

(2) ADMINISTRATION.—Segregation of Federal land under this subsection—

(A) may only be made for a period of not to exceed 10 years; and

(B) shall be subject to valid existing rights as of the date of the segregation.

### SEC. 3. DISPOSITION OF REVENUE.

(a) DISTRIBUTION OF PROCEEDS AND PAYMENTS.—

(1) IN GENERAL.—Effective beginning on the date of enactment of this Act, all amounts collected by the Secretary as royalties, fees, rentals, bonuses, or other payments for wind and solar projects on Federal land, including any fees associated with wind and solar energy rights-of-way, shall be distributed as follows:

(A) 25 percent shall be paid by the Secretary of the Treasury to the State within the boundaries of which the income is derived.

(B) 25 percent shall be paid by the Secretary of the Treasury to the 1 or more counties within the boundaries of which the income is derived.

(C) 15 percent shall—

(i) for the period beginning on the date of enactment of this Act and ending on the date specified in clause (ii), be deposited in the Treasury of the United States to help facilitate the processing of renewable energy permits by the Bureau of Land Management, subject to paragraph (2)(A)(i), including the transfer of the funds by the Bureau of Land Management to other Federal and State agencies to facilitate the processing of renewable energy permits on Federal land; and

(ii) beginning on the date that is 10 years after the date of enactment of this Act, be deposited in the Fund.

(D) 35 percent shall be deposited in the Fund.

(2) LIMITATIONS.—

(A) RENEWABLE ENERGY PERMITS.—For purposes of clause (i) of paragraph (1)(C):

(i) Not more than \$50,000,000 shall be deposited in the Treasury at any 1 time under that clause.

(ii) The following shall be deposited in the Fund:

(I) Any amounts collected under that subclause that are not obligated by the date specified in paragraph (1)(C)(ii).

(II) Any amounts that exceed the \$50,000,000 deposit limit under clause (i).

(III) Any amounts provided by the lease holder pursuant to section 2(h)(2)(B).

(B) FUND.—Any amounts deposited in the Fund under subparagraph (A)(i) or paragraph (1)(C)(ii) shall be in addition to amounts deposited in the Fund under paragraph (1)(D).

(3) AVAILABILITY OF FUNDS.—Funds under this subsection shall be available for expenditure without further appropriation and without fiscal year limitation.

(b) RENEWABLE ENERGY MITIGATION AND FISH AND WILDLIFE FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund, to be known as the “Renewable Energy Mitigation and Fish and Wildlife Fund”, to be administered by the Secretary, for use in the State.

(2) USE OF FUNDS.—Amounts in the Fund shall be available to the Secretary, who may make the amounts available to the State, Federal agencies, or other interested parties for the purposes of—

(A) mitigating impacts of renewable energy on Federal land, including—

(i) protecting fish and wildlife corridors and other sensitive land; and

(ii) restoring fish and wildlife habitat; and

(iii) securing recreational access to Federal land through easement, right of way, or fee title acquisition from willing sellers for the purpose of providing enhanced public access to existing Federal land that is inaccessible or significantly restricted; and

(B) carrying out activities authorized under the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–4 et seq.) in the State.

(3) AVAILABILITY OF AMOUNTS.—Amounts in the Fund shall be available for expenditure, in accordance with this subsection, without further appropriation, and without fiscal year limitation.

(4) INVESTMENT OF FUND.—

(A) IN GENERAL.—Any amounts deposited in the Fund shall earn interest in an amount determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities.

(B) USE.—Any interest earned under subparagraph (A) may be expended in accordance with this subsection.

#### SEC. 4. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 581—HONORING THE EDUCATIONAL AND SCIENTIFIC SIGNIFICANCE OF DR. JANE GOODALL ON THE 50TH ANNIVERSARY OF THE BEGINNING OF HER WORK IN WHAT IS TODAY GOMBE STREAM NATIONAL PARK IN TANZANIA

Mr. UDALL of New Mexico submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 581

Whereas on July 14, 1960, Dr. Jane Goodall arrived at Gombe Stream Chimpanzee Reserve in what is today Tanzania;

Whereas Dr. Goodall’s research led to numerous groundbreaking discoveries including the creation and use of tools by chimpanzees;

Whereas these and other behavioral observations of chimpanzees forever changed human understanding of the differences between humans and other animal species;

Whereas between 1968 and 1986, Dr. Goodall published a collection of articles and books that remain the foundational scientific works on chimpanzee and wildlife studies;

Whereas her book, *The Chimpanzees of Gombe: Patterns of Behavior* published by Harvard University Press, details the range of behaviors that make up the essential corpus of chimpanzee natural history and remains today a critical reference for researchers in the field;

Whereas Dr. Goodall’s writings not only formed the bedrock of the descriptive analytical study of chimpanzees, they also altered the paradigm of the study of culture in chimpanzees and other animals, especially species with complex social behaviors;

Whereas in support of the research she began, and to advance her vision, Dr. Goodall established the Gombe Stream Research Center in 1965 and the Jane Goodall Institute in 1977;

Whereas researchers in many other institutions continue to carry out pathbreaking analyses related to chimpanzee behavior based on Dr. Goodall’s original scientific work;

Whereas scientists continue to make new discoveries in the field of chimpanzee and wildlife studies today;

Whereas since 1986, Dr. Goodall has advocated for the conservation of chimpanzees and other species, for the protection of the natural world, for the care of chimpanzees and other animals in captivity, and for world peace;

Whereas Dr. Goodall travels the world approximately 300 days a year, delivering dozens of lectures and engaging with youth of all ages;

Whereas Dr. Goodall has been a leader in mobilizing community involvement in conservation and continues to practice and promote conservation efforts based on the important link between human welfare and environmental stewardship;

Whereas Dr. Goodall has received the highest honors in her field;

Whereas in 2008, she was awarded the Leakey Prize, the nation’s most prestigious award in human evolutionary science;

Whereas the Leakey Prize has only been given 7 times in the past 4 decades;

Whereas in 2007, she received the Harvard Museum of Natural History’s Roger Tory Peterson Medal, and in 1989, she received the Anthropologist of the Year Award;

Whereas in 1995, she received the National Geographic Society’s Hubbard Medal “for her extraordinary 35-year study of wild chimpanzees and for tirelessly defending the natural world we share”;

Whereas Dr. Goodall’s numerous honors include the Medal of Tanzania, Japan’s prestigious Kyoto Prize, the Benjamin Franklin Medal in Life Science, the United Nations Educational, Scientific and Cultural Organization’s 60th Anniversary Medal, the Gandhi-King Award for Nonviolence, the Albert Schweitzer Award of the Animal Welfare Institute, the Encyclopedia Britannica Award for Excellence on the Dissemination of Learning for the Benefit of Mankind, and the French Legion of Honor, which was presented to her in Paris in 2004 by Prime Minister Dominique de Villepin;

Whereas in April 2002, United Nations Secretary-General Kofi Annan named Dr. Goodall a United Nations Messenger of Peace;

Whereas such Messengers help mobilize the public to become involved in work that makes the world a better place, serving as advocates in such areas as poverty eradication, human rights, peace and conflict resolution, HIV/AIDS, community development, and conservation;

Whereas upon becoming the new United Nations Secretary-General, Ban Ki-moon continued her appointment;

Whereas in 2004, in a ceremony at Buckingham Palace, Prince Charles invested Dr. Goodall as a Dame of the British Empire, the female equivalent of knighthood;

Whereas during the last half of the 20th century, she blazed a trail for and inspired other women primatologists, such that women now dominate long-term primate behavioral studies worldwide;

Whereas Dr. Goodall has been a role model for youth of all ages, inspiring boys and girls alike to take action for people, animals, and the environment; and

Whereas through her Jane Goodall Institute, she established the Roots & Shoots global youth program, which now has members in more than 120 countries: Now, therefore, be it

*Resolved*, That the United States Senate recognizes—

(1) the 50th anniversary of the beginning of Dr. Jane Goodall’s work in what is now Tanzania, Africa, as significant in scientific history;

(2) the significant role that Dr. Goodall’s work and scientific study have had on our knowledge and understanding of both the natural and human worlds; and

(3) recognizes the positive role that Dr. Goodall’s work and research have had in education, science, and conservation alike.

Mr. UDALL of New Mexico. Mr. President, today I stand to recognize one of the greatest scientists and leaders of our time and to introduce a resolution honoring the educational and scientific significance of Dr. Jane Goodall on this the 50th anniversary of her first day’s work in what is now Tanzania.

Fifty years ago today, Jane Goodall, a young and ambitious scientist, first set foot on the shores of Lake Tanganyika to begin her research under the direction of Dr. Louis Leakey. In the ensuing years, Dr. Goodall became the world’s expert on chimpanzees. She had numerous groundbreaking discoveries. She published articles and books that remain the foundational scientific works on chimpanzee and wildlife studies. She established the Gombe Stream Research Center and the Jane Goodall Institute to support further research.

Jane has received many of the highest honors in her field and has become a prominent advocate for international conservation and peace. Consequently, she has been recognized and honored by political leaders and kings and queens throughout the world. The resolution I submit today recognizes Dr. Goodall for her past, present, and future contributions in the fields of science and conservation.

Beyond her incredible knowledge and skills in the sciences, Dr. Jane Goodall is an amazing human being. Her love of others and of the living things around her is what I believe drove her to achieve such great successes. Anyone

who hears her speak can feel her sincere adoration for the chimpanzees to which she dedicated her life. It is that love and drive that have made Dr. Goodall world-renowned in her field and admired and beloved throughout the world.

I imagine the ambitious young Jane, who boldly set out on the shores of Lake Tanganyika, was much like the many inspired young people who now work for her and with her. Across the globe, the same hope and inspiration that took Jane into the jungles of Africa now drive thousands of young people to organize conservation and community programs through the Roots and Shoots program which was founded in 1991. These young people care about their communities, their natural resources, and about the living things around them. They, like the young Jane Goodall, want to make a difference in the world, and they strive every day in their own lives to be a catalyst for positive change.

I believe Jane's focus on encouraging young people is one of her greatest accomplishments. Through her own experience as a young scientist, she knows the strength of the connection young people develop with nature if they have the opportunity. We live in a world where many young people have no connection to the natural world or to their community—a world where urban areas lack any connection to the rhythms of nature, where video games and indoor activities predominate, where a sense of community is absent. A generation lacking that connection is doomed to failing. Jane saw the need to connect them. She saw the need to inspire them. Roots and Shoots provides that crucial connection.

Dr. Goodall's work with young activists does not focus on one area of the world or on one issue of significance; her Roots and Shoots program is in 120 different countries. Young people from preschool through college gather in classrooms, nature centers, refugee camps, zoos, and many other places to identify issues that concern them, and then they act. And, boy, do they act. They are a force for positive change.

We thank Jane Goodall for all her contributions to making this a better world.

We know that when one person in a community ignites positive action, it is contagious. When each community works for positive change, they connect. Community efforts become national endeavors. And nations take action on a global scale. The world becomes a better place—one person at a time.

With the help of student leaders and adult mentors, these young people create hands-on projects to address the issues impacting their homes and communities. Over the past two decades, tens of thousands of young people have formed a network across the globe and are building upon Dr. Jane Goodall's legacy of positive change in the world. This is a network of hope and a genera-

tion of positive actors. Thanks to their young and active hearts, our world will thrive into the future.

For 50 years, Dr. Goodall has worked to expand and improve our world. Her work has spread so widely that Jane Goodall is a household name. And with that name, young people from America to Africa and all around the globe learn the wonders of the natural world and our link to the creatures around us, including Dr. Goodall's beloved chimpanzees.

Dr. Goodall recognizes the power that each person has to make positive change. She is a brilliant example of the great things that are possible when one young person connects with the natural world and is inspired to make a difference.

Today, I honor my good friend Dr. Jane Goodall. I ask my colleagues to do the same. And I thank her for her example, and for her confidence in the immense power that young people have to improve the future.

Let us all work together to make positive change in our communities and support coming generations in their creative and noble ambitions.

**SENATE RESOLUTION 582—RECOGNIZING THE ECONOMIC AND ENVIRONMENTAL IMPACTS OF THE BRITISH PETROLEUM OIL SPILL ON THE PEOPLE OF THE GULF COAST AND THEIR WAY OF LIFE AND URGING BRITISH PETROLEUM TO GIVE ALL DUE CONSIDERATION TO OFFERS OF ASSISTANCE, PRODUCTS, OR SERVICES FROM THE STATES DIRECTLY IMPACTED BY THE DEEPWATER HORIZON OIL SPILL**

Mr. WICKER (for himself, Ms. LANDRIEU, Mr. COCHRAN, Mr. CORNYN, Mrs. HUTCHISON, Mr. LEMIEUX, Mr. NELSON of Florida, Mr. SESSIONS, Mr. SHELBY, and Mr. VITTER) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 582

Whereas on April 20, 2010, the Mobile Drilling Unit Deepwater Horizon experienced a tragic explosion, resulting in the loss of 11 men;

Whereas the explosion resulted in the sinking of the Mobile Drilling Unit Deepwater Horizon and a discharge of hydrocarbons from the Macondo well;

Whereas since the tragic day of April 20, 2010 it is estimated that more than 2,500,000 barrels of oil have flowed into the Gulf of Mexico;

Whereas resources such as fishing, tourism, shipping, and energy exploration in the Gulf of Mexico generally account for over \$200,000,000,000 in economic activity each year;

Whereas the release of oil has caused a Federal fishery closure since May 2, 2010, which has encompassed up to 37 percent of the Gulf of Mexico exclusive economic zone;

Whereas the impact on the Gulf Coast economy has amounted to over \$175,000,000 in reported claims to date;

Whereas tourism is down significantly on the Gulf Coast as a result of the oil spill;

Whereas the workforce in Louisiana, Mississippi, Alabama, Florida, and Texas has been negatively impacted as a result of the oil spill; and

Whereas Federal disaster response procurement law recognizes a preference for local firms in the award of contracts for disaster relief activities: Now, therefore, be it

*Resolved*, That the Senate—

(1) recognizes the impact of the Deepwater Horizon oil spill on the way of life, economy, and natural resources of the Gulf Coast States;

(2) supports the continued public and private efforts to stop the oil spill, mitigate further damage to our treasured Gulf Coast, and clean up of this environmental disaster; and

(3) urges British Petroleum (BP) to give all due consideration to individuals, businesses, and organizations of the States directly impacted by the Deepwater Horizon oil spill where practicable, as BP considers services or products related to ongoing efforts in the Gulf of Mexico associated with this tragic oil spill.

**AMENDMENTS SUBMITTED AND PROPOSED**

SA 4465. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table.

SA 4466. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4467. Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4468. Mr. BENNET (for himself and Ms. LANDRIEU) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4469. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4470. Mr. BENNET submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4471. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4472. Mr. CARPER (for himself, Mr. BUNNING, and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4473. Mr. CARPER (for himself, Mr. BUNNING, and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU,

and Mr. REID)) to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4474. Mr. AKAKA (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4475. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5297, supra; which was ordered to lie on the table.

SA 4476. Mrs. HUTCHISON (for herself and Mr. BAYH) submitted an amendment intended to be proposed by her to the bill H.R. 5297, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 4465.** Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

#### PART V—OTHER PROVISIONS

##### SEC. \_\_\_\_ . SPECIAL INVESTMENT RULE FOR CERTAIN QUALIFIED NEW YORK LIBERTY BOND PROCEEDS.

For purposes of section 149(g) of the Internal Revenue Code of 1986, the proceeds of any qualified New York Liberty Bond (as defined in section 1400L(d)(2)) issued after September 30, 2009, and before January 1, 2010, which are invested in United States Treasury Obligations—State and Local Government Series shall be treated as invested in bonds described in paragraph (3)(B)(i) of such section.

**SA 4466.** Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

#### PART V—OTHER PROVISIONS

##### SEC. \_\_\_\_ . CHARITABLE DEDUCTION FOR COSTS ASSOCIATED WITH DONATIONS OF WILD GAME MEAT.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(8) SPECIAL RULE FOR CONTRIBUTIONS OF WILD GAME MEAT.—

“(A) IN GENERAL.—In the case of a charitable contribution by an individual of qualified wild game meat, the amount of such

contribution otherwise taken into account under this section (after the application of paragraph (1)(A)) shall be increased by the amount of the qualified processing fees paid with respect to such contribution.

“(B) QUALIFIED WILD GAME MEAT.—For purposes of this paragraph, the term ‘qualified wild game meat’ means the meat of any animal which is typically used for human consumption, but only if—

“(i) such animal is killed in the wild by the individual making the charitable contribution of such meat (not including animals raised on a farm for the purpose of sport hunting),

“(ii) such animal is hunted or taken in accordance with all State and local laws and regulations, including season and size restrictions,

“(iii) such meat is processed for human consumption by a processor which is licensed for such purpose under the appropriate Federal, State, and local laws and regulations and which is in compliance with all such laws and regulations, and

“(iv) such meat is apparently wholesome (under regulations similar to the regulations under section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act).

“(C) QUALIFIED PROCESSING FEE.—For purposes of this paragraph, the term ‘qualified processing fee’ means any fee or charge paid to a processor which fulfills the requirements of subparagraph (B)(iii) for the purpose of processing wild game meat, but only to the extent that such meat is donated as a charitable contribution under this section.”.

(b) EXCLUSION OF PROCESSOR’S INCOME FROM TAX EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before section 140 the following new section:

##### “SEC. 139F. CERTAIN INCOME RECEIVED FROM CHARITABLE ORGANIZATIONS.

“(a) IN GENERAL.—Gross income of a qualified meat processor shall not include any amount paid to such processor as a qualified processing fee by a charitable organization for the processing of donated wild game meat.

“(b) DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED MEAT PROCESSOR.—The term ‘qualified meat processor’ means a processor which fulfills the requirements of section 170(e)(8)(B)(iii).

“(2) CHARITABLE ORGANIZATION.—The term ‘charitable organization’ means an entity to which a charitable contribution may be made under section 170(c) and the charitable purpose of which is to provide free food to individuals in need of food assistance.

“(3) DONATED WILD GAME MEAT.—The term ‘donated wild game meat’ means qualified wild game meat (as defined in section 170(e)(8)(B), without regard to clause (iii) thereof) which is received as a charitable contribution (as defined in section 170(c)) by a charitable organization.

“(4) QUALIFIED PROCESSING FEE.—The term ‘qualified processing fee’ means any fee or charge paid to a qualified meat processor for the purpose of processing donated wild game meat.”.

(2) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139F. Certain income received from tax exempt organizations.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to donations made, and fees received, after the date of the enactment of this Act.

**SA 4467.** Mr. SCHUMER submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, insert the following:

#### PART V—OTHER PROVISIONS

##### SEC. \_\_\_\_ . MODIFICATION OF EXCISE TAX ON INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 is amended by inserting “(1.39 percent in the case of taxable years beginning before January 1, 2015)” after “2 percent”.

(b) TEMPORARY ELIMINATION OF REDUCED TAX WHERE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Subsection (e) of section 4940 of such Code is amended by adding at the end the following new paragraph:

“(7) APPLICATION.—Paragraph (1) shall not apply for any taxable year beginning after December 31, 2009, and before January 1, 2015.”.

(c) STUDY.—Not later than December 31, 2013, the Secretary of the Treasury shall conduct and submit to the Congress a study which examines the effect of the change in the rate of tax under section 4940 of the Internal Revenue Code of 1986 (as amended by this section) has on the level of grantmaking by private foundations.

**SA 4468.** Mr. BENNET (for himself and Ms. LANDRIEU) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page 41, between lines 3 and 4, insert the following:

##### SEC. 1137. TARGETED SMALL BUSINESS LENDING PILOT PROGRAM.

(a) IN GENERAL.—Section 23 of the Small Business Act (15 U.S.C. 650) is amended by adding at the end the following:

“(k) TARGETED SMALL BUSINESS LENDING PILOT PROGRAM.—

“(1) PURPOSE.—The purpose of the targeted small business lending pilot program is to increase the lending activity of small business lending companies to small business concerns operating in low-income communities.

“(2) DEFINITIONS.—In this subsection:

“(A) LOW-INCOME COMMUNITY.—The term ‘low-income community’ means a low-income community within the meaning of section 45D(e) of the Internal Revenue Code of 1986 (relating to the new markets tax credit).

“(B) TARGETED SMALL BUSINESS LENDING COMPANY.—The term ‘targeted small business

lending company' means a business concern—

“(i) described in section 3(r)(1), without regard to whether the business concern was authorized to make loans under section 7(a) before the date on which the Administrator authorizes the business concern to make the loans under this subsection;

“(ii) that has a primary mission of serving or providing investment capital for low-income communities, low-income persons, or businesses located in low-income communities;

“(iii) that maintains accountability to low-income communities through participation of representatives of the communities on a governing or an advisory board to the business concern;

“(iv) that has a demonstrated ability, directly or through a controlling entity, to make loans to businesses in low-income communities; and

“(v) that makes substantially all of the loans made by the business concern to businesses operating in low-income communities.

“(3) ESTABLISHMENT.—There is established a targeted small business lending pilot program, under which the Administrator—

“(A) shall authorize not more than 12 targeted small business lending companies to make loans under section 7(a); and

“(B) may not charge a fee relating to an authorization under subparagraph (A).

“(4) SAFETY AND SOUNDNESS REQUIREMENTS.—

“(A) PROHIBITION ON SALE OF AUTHORIZATION.—A targeted small business lending company may not sell the authorization of the targeted small business lending company to make loans under section 7(a).

“(B) GAO REVIEW.—During the 2-year period beginning on the date of enactment of this subsection, the Comptroller General of the United States shall—

“(i) review the oversight of targeted small business lending companies by the Administration; and

“(ii) submit periodic reports to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report regarding the review under clause (i).”

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 3(r)(1) of the Small Business Act (15 U.S.C. 632(r)(1)) is amended by inserting “, including a targeted small business lending company authorized under section 23(k)” before the period at the end.

**SA 4469.** Mr. DEMINT submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . TERMINATION OF CONSERVATORSHIPS AND DISSOLUTION OF CERTAIN GSES.**

(a) SHORT TITLE.—This section may be cited as the “GSE Bailout Elimination and Taxpayer Protection Act”.

(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) CHARTER.—The term “charter” means—

(A) with respect to the Federal National Mortgage Association, the Federal National

Mortgage Association Charter Act (12 U.S.C. 1716 et seq.); and

(B) with respect to the Federal Home Loan Mortgage Corporation, the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.).

(2) DIRECTOR.—The term “Director” means the Director of the Federal Housing Finance Agency.

(3) ENTERPRISE.—The term “enterprise” means—

(A) the Federal National Mortgage Association; and

(B) the Federal Home Loan Mortgage Corporation.

(4) GUARANTEE.—The term “guarantee” means, with respect to an enterprise, the credit support of the enterprise that is provided by the Federal Government through its charter as a government-sponsored enterprise.

(c) TERMINATION OF CURRENT CONSERVATORSHIP.—

(1) IN GENERAL.—Upon the expiration of the period referred to in paragraph (2), the Director of the Federal Housing Finance Agency shall determine, with respect to each enterprise, if the enterprise is financially viable at that time and—

(A) if the Director determines that the enterprise is financially viable, immediately take all actions necessary to terminate the conservatorship for the enterprise that is in effect pursuant to section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617); or

(B) if the Director determines that the enterprise is not financially viable, immediately appoint the Federal Housing Finance Agency as receiver under section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, and carry out such receivership under the authority of that section 1367.

(2) TIMING.—The period referred to in this paragraph is, with respect to an enterprise—

(A) except as provided in subparagraph (B), the 24-month beginning upon the date of enactment of this Act; or

(B) if the Director determines before the expiration of the period referred to in subparagraph (A) that the financial markets would be adversely affected without the extension of such period with respect to that enterprise, and upon making such determination notifies Congress in writing of such determination, the 30-month period beginning upon the date of enactment of this Act.

(3) FINANCIAL VIABILITY.—The Director may not determine that an enterprise is financially viable for purposes of paragraph (1) if the Director determines that any of the conditions for receivership set forth in paragraph (3) or (4) of section 1367(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617(a)) exists at the time with respect to the enterprise.

(d) LIMITATION OF ENTERPRISE AUTHORITY UPON EMERGENCE FROM CONSERVATORSHIP.—

(1) REVISED AUTHORITY.—Upon the expiration of the period referred to in subsection (c)(2), if the Director makes the determination under subsection (c)(1)(A), the following provisions shall take effect:

(A) REPEAL OF HOUSING GOALS.—

(i) REPEAL.—The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 is amended by striking sections 1331 through 1336 (12 U.S.C. 4561–4566).

(ii) CONFORMING AMENDMENTS.—Federal Housing Enterprises Financial Safety and Soundness Act of 1992 is amended—

(I) in section 1303(28) (12 U.S.C. 4502(28)), by striking “and, for the purposes” and all that follows through “designated disaster areas”;

(II) in section 1324(b)(1)(A) (12 U.S.C. 4544(b)(1)(A))—

(aa) by striking clauses (i), (ii), and (iv);

(bb) in clause (iii), by inserting “and” after the semicolon at the end; and

(cc) by redesignating clauses (iii) and (v) as clauses (i) and (ii), respectively;

(III) in section 1338(c)(10) (12 U.S.C. 4568(c)(10)), by striking subparagraph (E);

(IV) in section 1339(h) (12 U.S.C. 4569), by striking paragraph (7);

(V) in section 1341 (12 U.S.C. 4581)—

(aa) in subsection (a)—

(AA) in paragraph (1), by inserting “or” after the semicolon at the end;

(BB) in paragraph (2), by striking the semicolon at the end and inserting a period; and

(CC) by striking paragraphs (3) and (4); and (bb) in subsection (b)(2)—

(AA) in subparagraph (A), by inserting “or” after the semicolon at the end;

(BB) by striking subparagraphs (B) and (C); and

(CC) by redesignating subparagraph (D) as subparagraph (B);

(VI) in section 1345(a) (12 U.S.C. 4585(a))—

(aa) in paragraph (1), by inserting “or” after the semicolon at the end;

(bb) in paragraph (2), by striking the semicolon at the end and inserting a period; and

(cc) by striking paragraphs (3) and (4); and

(VII) in section 1371(a)(2) (12 U.S.C. 4631(a)(2))—

(aa) by striking “with any housing goal established under subpart B of part 2 of subtitle A of this title,”; and

(bb) by striking “section 1336 or”.

(B) PORTFOLIO LIMITATIONS.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.) is amended by adding at the end the following:

**“SEC. 1369E. RESTRICTION ON MORTGAGE ASSETS OF ENTERPRISES.**

“(a) RESTRICTION.—No enterprise shall own, as of any applicable date in this subsection or thereafter, mortgage assets in excess of—

“(1) upon the expiration of the period referred to in subsection (c)(2) of the GSE Bailout Elimination and Taxpayer Protection Act or thereafter, \$850,000,000,000;

“(2) upon the expiration of the 1-year period that begins on the date described in paragraph (1) or thereafter, \$700,000,000,000;

“(3) upon the expiration of the 2-year period that begins on the date described in paragraph (1) or thereafter, \$500,000,000,000; and

“(4) upon the expiration of the 3-year period that begins on the date described in paragraph (1), \$250,000,000,000.

“(b) DEFINITION OF MORTGAGE ASSETS.—For purposes of this section, the term ‘mortgage assets’ means, with respect to an enterprise, assets of such enterprise consisting of mortgages, mortgage loans, mortgage-related securities, participation certificates, mortgage-backed commercial paper, obligations of real estate mortgage investment conduits and similar assets, in each case to the extent that such assets would appear on the balance sheet of such enterprise in accordance with generally accepted accounting principles in effect in the United States as of September 7, 2008 (as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board from time to time; and without giving any effect to any change that may be made after September 7, 2008, in respect of Statement of Financial Accounting Standards No. 140 or any similar accounting standard).”

(C) INCREASE IN MINIMUM CAPITAL REQUIREMENT.—Section 1362 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4612), as amended by

section 1111 of the Housing and Economic Recovery Act of 2008 (Public Law 110-289), is amended—

(i) in subsection (a), by striking “For purposes of this subtitle, the minimum capital level for each enterprise shall be” and inserting “The minimum capital level established under subsection (g) for each enterprise may not be lower than”;

(ii) in subsection (c)—

(I) by striking “subsections (a) and” and inserting “subsection”;

(II) by striking “regulated entities” the first place that term appears and inserting “Federal Home Loan Banks”;

(III) by striking “for the enterprises,”;

(IV) by striking “, or for both the enterprises and the banks,”;

(V) by striking “the level specified in subsection (a) for the enterprises or”;

(VI) by striking “the regulated entities operate” and inserting “such banks operate”;

(iii) in subsection (d)(1)—

(I) by striking “subsections (a) and” and inserting “subsection”;

(II) by striking “regulated entity” each place that term appears and inserting “Federal home loan bank”;

(iv) in subsection (e), by striking “regulated entity” each place that term appears and inserting “Federal home loan bank”;

(v) in subsection (f)—

(I) by striking “the amount of core capital maintained by the enterprises,”;

(II) by striking “regulated entities” and inserting “banks”;

(vi) by adding at the end the following new subsection:

“(g) ESTABLISHMENT OF REVISED MINIMUM CAPITAL LEVELS.—

“(1) IN GENERAL.—The Director shall cause the enterprises to achieve and maintain adequate capital by establishing minimum levels of capital for such enterprises, and by using such other methods as the Director deems appropriate.

“(2) AUTHORITY.—The Director shall have the authority to establish such minimum level of capital for an enterprise in excess of the level specified under subsection (a) as the Director, in the discretion of the Director, deems to be necessary or appropriate in light of the particular circumstances of the enterprise.

“(h) FAILURE TO MAINTAIN REVISED MINIMUM CAPITAL LEVELS.—

“(1) UNSAFE AND UNSOUND PRACTICE OR CONDITION.—Failure of a enterprise to maintain capital at or above its minimum level as established pursuant to subsection (g) of this section may be deemed by the Director, in his discretion, to constitute an unsafe and unsound practice or condition within the meaning of this title.

“(2) DIRECTIVE TO ACHIEVE CAPITAL LEVEL.—

“(A) AUTHORITY.—In addition to, or in lieu of, any other action authorized by law, including paragraph (1), the Director may issue a directive to an enterprise that fails to maintain capital at or above its required level as established pursuant to subsection (g).

“(B) PLAN.—Such directive may require the enterprise to submit and adhere to a plan acceptable to the Director describing the means and timing by which the enterprise shall achieve its required capital level.

“(C) ENFORCEMENT.—Any directive issued pursuant to this paragraph, including plans submitted pursuant thereto, shall be enforceable under the provisions of subtitle C, to the same extent as an effective and outstanding order issued pursuant to subtitle C which has become final.

“(3) ADHERENCE TO PLAN.—

“(A) CONSIDERATION.—The Director may consider the progress of an enterprise in ad-

hering to any plan required under this subsection whenever such enterprise seeks the requisite approval of the Director for any proposal which would divert earnings, diminish capital, or otherwise impede the progress of the enterprise in achieving its minimum capital level.

“(B) DENIAL.—The Director may deny such approval where the Director determines that such proposal would adversely affect the ability of the enterprise to comply with such plan.”

(D) REPEAL OF INCREASES TO CONFORMING LOAN LIMITS.—

(i) REPEAL OF TEMPORARY INCREASES.—

(I) CONTINUING APPROPRIATIONS RESOLUTION, 2010.—Section 167 of the Continuing Appropriations Resolution, 2010 (as added by section 104 of division B of Public Law 111-88; 123 Stat. 2973) is hereby repealed.

(II) AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.—Section 1203 of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5; 123 Stat. 225) is hereby repealed.

(III) ECONOMIC STIMULUS ACT OF 2008.—Section 201 of the Economic Stimulus Act of 2008 (Public Law 110-185; 122 Stat. 619) is hereby repealed.

(ii) REPEAL OF GENERAL LIMIT AND PERMANENT HIGH-COST AREA INCREASE.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) are each amended to read as such sections were in effect immediately before the date of enactment of the Housing and Economic Recovery Act of 2008 (Public Law 110-289).

(iii) REPEAL OF NEW HOUSING PRICE INDEX.—Section 1322 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as added by section 1124(d) of the Housing and Economic Recovery Act of 2008 (Public Law 110-289), is hereby repealed.

(iv) REPEAL.—Section 1124 of the Housing and Economic Recovery Act of 2008 (Public Law 110-289) is hereby repealed.

(v) ESTABLISHMENT OF CONFORMING LOAN LIMIT.—For the year in which the expiration of the period referred to in subsection (c)(2) occurs, the limitations governing the maximum original principal obligation of conventional mortgages that may be purchased by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, referred to in section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)), respectively, shall be considered to be—

(I) \$417,000 for a mortgage secured by a single-family residence;

(II) \$533,850 for a mortgage secured by a 2-family residence;

(III) \$645,300 for a mortgage secured by a 3-family residence; and

(IV) \$801,950 for a mortgage secured by a 4-family residence.

(vi) ANNUAL ADJUSTMENTS.—The limits established under clause (v) shall be adjusted effective each January 1 after the period referred to in clause (v), in accordance with such sections 302(b)(2) and 305(a)(2).

(vii) PROHIBITION OF PURCHASE OF MORTGAGES EXCEEDING MEDIAN AREA HOME PRICE.—

(I) FANNIE MAE.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended by adding at the end the following: “Notwithstanding any other provision of this title, the corporation may not purchase any mortgage for a property having a principal obligation that exceeds the median home price, for properties of the same size, for the

area in which such property subject to the mortgage is located.”

(II) FREDDIE MAC.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended by adding at the end the following: “Notwithstanding any other provision of this title, the Corporation may not purchase any mortgage for a property having a principal obligation that exceeds the median home price, for properties of the same size, for the area in which such property subject to the mortgage is located.”

(E) REQUIREMENT OF MINIMUM DOWNPAYMENT FOR MORTGAGES PURCHASED.—

(i) FANNIE MAE.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end the following:

“(7) Notwithstanding any other provision of this Act, the corporation may not newly purchase any mortgage unless the mortgagor has paid, in cash or its equivalent on account of the property securing repayment such mortgage, in accordance with regulations issued by the Director of the Federal Housing Finance Agency, not less than—

“(A) for any mortgage purchased during the 12-month period beginning upon the expiration of the period referred to in section 3(b) of the GSE Bailout Elimination and Taxpayer Protection Act, 5 percent of the appraised value of the property;

“(B) for any mortgage purchased during the 12-month period beginning upon the expiration of the 12-month period referred to in subparagraph (A) of this paragraph, 7.5 percent of the appraised value of the property; and

“(C) for any mortgage purchased during the 12-month period beginning upon the expiration of the 12-month period referred to in subparagraph (B) of this paragraph, 10 percent of the appraised value of the property.”

(ii) FREDDIE MAC.—Section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)) is amended by adding at the end the following:

“(6) Notwithstanding any other provision of this Act, the Corporation may not newly purchase any mortgage unless the mortgagor has paid, in cash or its equivalent on account of the property securing repayment such mortgage, in accordance with regulations issued by the Director of the Federal Housing Finance Agency, not less than—

“(A) for any mortgage purchased during the 12-month period beginning upon the expiration of the period referred to in section 3(b) of the GSE Bailout Elimination and Taxpayer Protection Act, 5 percent of the appraised value of the property;

“(B) for any mortgage purchased during the 12-month period beginning upon the expiration of the 12-month period referred to in subparagraph (A) of this paragraph, 7.5 percent of the appraised value of the property; and

“(C) for any mortgage purchased during the 12-month period beginning upon the expiration of the 12-month period referred to in subparagraph (B) of this paragraph, 10 percent of the appraised value of the property.”

(F) REQUIREMENT TO PAY STATE AND LOCAL TAXES.—

(i) FANNIE MAE.—Paragraph (2) of section 309(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(c)(2)) is amended—

(I) by striking “shall be exempt from” and inserting “shall be subject to”;

(II) by striking “except that any” and inserting “and any”.

(ii) FREDDIE MAC.—Section 303(e) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(e)) is amended—

(I) by striking “shall be exempt from” and inserting “shall be subject to”;

(II) by striking “except that any” and inserting “and any”.

(G) REPEALS RELATING TO REGISTRATION OF SECURITIES.—

(i) FANNIE MAE.—

(I) MORTGAGE-BACKED SECURITIES.—Section 304(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(d)) is amended by striking the fourth sentence.

(II) SUBORDINATE OBLIGATIONS.—Section 304(e) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(e)) is amended by striking the fourth sentence.

(ii) FREDDIE MAC.—Section 306 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1455) is amended by striking subsection (g).

(H) RECOUPMENT OF COSTS FOR FEDERAL GUARANTEE.—

(i) ASSESSMENTS.—The Director of the Federal Housing Finance Agency shall establish and collect from each enterprise assessments in the amount determined under subparagraph (B). In determining the method and timing for making such assessments, the Director shall take into consideration the determinations and conclusions of the study under paragraph (2).

(ii) DETERMINATION OF COSTS OF GUARANTEE.—Assessments under clause (i) with respect to an enterprise shall be in such amount as the Director determines necessary to recoup to the Federal Government the full value of the benefit the enterprise receives from the guarantee provided by the Federal Government for the obligations and financial viability of the enterprise, based upon the dollar value of such benefit in the market to such enterprise when not operating under conservatorship or receivership. To determine such amount, the Director shall establish a risk-based pricing mechanism as the Director considers appropriate, taking into consideration the determinations and conclusions of the study under paragraph (2).

(iii) TREATMENT OF RECOUPED AMOUNTS.—The Director shall cover into the General Fund of the Treasury any amounts received from assessments made under this subparagraph.

(2) GAO STUDY REGARDING RECOUPMENT OF COSTS FOR FEDERAL GOVERNMENT GUARANTEE.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine a risk-based pricing mechanism to accurately determine the value of the benefit that the enterprises receive from the guarantee provided by the Federal Government for the obligations and financial viability of the enterprises.

(B) STUDY REQUIREMENTS.—The study required by this paragraph shall—

(i) establish a dollar value of such benefit in the market to each enterprise when not operating under conservatorship or receivership;

(ii) analyze various methods of the Federal Government assessing a charge for such value received (including methods involving an annual fee or a fee for each mortgage purchased or securitized); and

(iii) include a recommendation of the best such method for assessing such charge.

(C) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Comptroller General shall submit to Congress a report setting forth the determinations and conclusions of the study required by this paragraph.

(e) REQUIRED WIND DOWN OF OPERATIONS AND DISSOLUTION OF ENTERPRISE.—

(1) APPLICABILITY.—This subsection shall apply to an enterprise upon the expiration of the 3-year period beginning at the end of the time period in subsection (c)(2).

(2) REPEAL OF CHARTER.—Upon the applicability of this subsection to an enterprise, the charter for the enterprise is repealed, and the enterprise shall have no authority to conduct new business under such charter, except that the provisions of such charter in effect immediately before such repeal shall continue to apply with respect to the rights and obligations of any holders of outstanding debt obligations and mortgage-backed securities of the enterprise.

(3) WIND DOWN.—Upon the applicability of this subsection to an enterprise, the Director and the Secretary of the Treasury shall jointly take such action, and may prescribe such regulations and procedures, as may be necessary to wind down the operations of an enterprise as an entity chartered by the United States Government over the duration of the 10-year period beginning upon the applicability of this subsection to the enterprise (pursuant to paragraph (1)) in an orderly manner, consistent with this section, and the ongoing obligations of the enterprise.

(4) DIVISION OF ASSETS AND LIABILITIES; AUTHORITY TO ESTABLISH HOLDING CORPORATION AND DISSOLUTION TRUST FUND.—The action and procedures required under paragraph (3)—

(A) shall include the establishment and execution of plans to provide for an equitable division and distribution of assets and liabilities of the enterprise, including any liability of the enterprise to the United States Government or a Federal reserve bank that may continue after the end of the period described in paragraph (1); and

(B) may provide for establishment of—

(i) a holding corporation organized under the laws of any State of the United States or the District of Columbia for the purposes of the reorganization and restructuring of the enterprise; and

(ii) one or more trusts to which to transfer—

(I) remaining debt obligations of the enterprise, for the benefit of holders of such remaining obligations; or

(II) remaining mortgages held for the purpose of backing mortgage-backed securities, for the benefit of holders of such remaining securities.

**SA 4470.** Mr. BENNET submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . . . EXPEDITING PATENT APPLICATIONS OF SMALL ENTITIES.**

(a) FUNDING FOR EXPEDITING PATENT APPLICATIONS OF SMALL ENTITIES.—There are appropriated, out of any money in the Treasury not otherwise appropriated, \$10,000,000, to the Department of Commerce for the appropriations account under the heading “SALARIES AND EXPENSES” under the heading “UNITED STATES PATENT AND TRADEMARK OFFICE” for expediting patent applications of small entities, as defined under section 1.27 of the Patent Rules under the Manual of Patent Examining Procedure as in effect on the date of enactment of this Act.

(b) RESCISSION.—Of the unobligated amounts appropriated to the Department of

Defense in the account “Other Procurement, Army, 2008/2010”, \$10,000,000 are rescinded.

**SA 4471.** Mr. CORNYN submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . . . EXTENSION OF EXPENDITURE DEADLINE OF SOCIAL SERVICES BLOCK GRANT DISASTER FUNDING.**

Notwithstanding any other provision of law, amounts made available to the Department of Health and Human Services, Administration for Children and Families, under the heading “Social Services Block Grant” under chapter 7 of division B of Public Law 110-329, shall remain available for expenditure through September 30, 2012.

**SA 4472.** Mr. CARPER (for himself, Mr. BUNNING, and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

On page 137, line 3, strike the period and insert the following:

“, and

“(D) any sprinkler system classified under one or more of the following:

“(i) National Fire Protection Association 13, Installation of Sprinkler Systems.

“(ii) National Fire Protection Association 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes or International Residential Code Section P2904, Dwelling Unit Fire Sprinkler Systems.

“(iii) National Fire Protection Association 13 R, Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height.”.

**SA 4473.** Mr. CARPER (for himself, Mr. BUNNING, and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 4402 proposed by Mr. REID (for Mr. BAUCUS (for himself, Ms. LANDRIEU, and Mr. REID)) to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part II of subtitle A of title II, insert the following:

**SEC. \_\_\_\_ . CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS.**

(a) IN GENERAL.—Subparagraph (E) of section 168(e)(3) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (viii), by striking the period at the end of clause (ix) and inserting “, and”, and by adding at the end the following:

“(x) any automated fire sprinkler system acquired by the taxpayer under a written binding contract entered into during the 1-year period beginning on the date of the enactment of this clause and placed in service during the 2-year period beginning on such date, in a building or structure which was placed in service before such date.”.

(b) APPLICABLE DEPRECIATION METHOD.—Paragraph (3) of section 168(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(J) Automated fire sprinkler system described in subsection (e)(3)(E)(x).”.

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subparagraph (E)(ix) the following:

“(E)(x) ..... 39”.

(d) DEFINITION OF AUTOMATIC FIRE SPRINKLER SYSTEM.—Subsection (i) of section 168 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(20) AUTOMATED FIRE SPRINKLER SYSTEM.—The term ‘automated fire sprinkler system’ means those sprinkler systems classified under one or more of the following:

“(A) National Fire Protection Association 13, Installation of Sprinkler Systems.

“(B) National Fire Protection Association 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes or International Residential Code Section P2904, Dwelling Unit Fire Sprinkler Systems.

“(C) National Fire Protection Association 13 R, Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

**SA 4474.** Mr. AKAKA (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . PLAIN WRITING.**

(a) SHORT TITLE.—This section may be cited as the “Plain Writing Act of 2010”.

(b) PURPOSE.—The purpose of this section is to improve the effectiveness and accountability of Federal agencies to the public by promoting clear Government communication that the public can understand and use.

(c) DEFINITIONS.—In this section:

(1) AGENCY.—The term “agency” means an Executive agency, as defined under section 105 of title 5, United States Code.

(2) COVERED DOCUMENT.—The term “covered document”—

(A) means any document that—

(i) is relevant to obtaining any Federal Government benefit or service or filing taxes;

(ii) provides information about any Federal Government benefit or service; or

(iii) explains to the public how to comply with a requirement the Federal Government administers or enforces;

(B) includes (whether in paper or electronic form) a letter, publication, form, notice, or instruction; and

(C) does not include a regulation.

(3) PLAIN WRITING.—The term “plain writing” means writing that the intended audience can readily understand and use because that writing is clear, concise, well-organized, and follows other best practices of plain writing.

(d) RESPONSIBILITIES OF FEDERAL AGENCIES.—

(1) PREPARATION FOR IMPLEMENTATION OF PLAIN WRITING REQUIREMENTS.—

(A) IN GENERAL.—Not later than 9 months after the date of enactment of this Act, the head of each agency shall—

(i) designate 1 or more senior officials within the agency to oversee the agency implementation of this section;

(ii) communicate the requirements of this section to the employees of the agency;

(iii) train employees of the agency in plain writing;

(iv) establish a process for overseeing the ongoing compliance of the agency with the requirements of this section;

(v) create and maintain a plain writing section of the agency’s website that is accessible from the homepage of the agency’s website; and

(vi) designate 1 or more agency points-of-contact to receive and respond to public input on—

(I) agency implementation of this section; and

(II) the agency reports required under subsection (e).

(B) WEBSITE.—The plain writing section described under subparagraph (A)(v) shall—

(i) inform the public of agency compliance with the requirements of this section; and

(ii) provide a mechanism for the agency to receive and respond to public input on—

(I) agency implementation of this section; and

(II) the agency reports required under subsection (e).

(2) REQUIREMENT TO USE PLAIN WRITING IN NEW DOCUMENTS.—Beginning not later than 1 year after the date of enactment of this Act, each agency shall use plain writing in every covered document of the agency that the agency issues or substantially revises.

(3) GUIDANCE.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Director of the Office of Management and Budget shall develop and issue guidance on implementing the requirements of this section. The Director may designate a lead agency, and may use interagency working groups to assist in developing and issuing the guidance.

(B) INTERIM GUIDANCE.—Before the issuance of guidance under subparagraph (A), agencies may follow the guidance of—

(i) the writing guidelines developed by the Plain Language Action and Information Network; or

(ii) guidance provided by the head of the agency that is consistent with the guidelines referred to under clause (i).

(c) REPORTS TO CONGRESS.—

(1) INITIAL REPORT.—Not later than 9 months after the date of enactment of this Act, the head of each agency shall publish on the plain writing section of the agency’s website a report that describes the agency

plan for compliance with the requirements of this section.

(2) ANNUAL COMPLIANCE REPORT.—Not later than 18 months after the date of enactment of this Act, and annually thereafter, the head of each agency shall publish on the plain writing section of the agency’s website a report on agency compliance with the requirements of this section.

(f) JUDICIAL REVIEW AND ENFORCEABILITY.—

(1) JUDICIAL REVIEW.—There shall be no judicial review of compliance or noncompliance with any provision of this section.

(2) ENFORCEABILITY.—No provision of this section shall be construed to create any right or benefit, substantive or procedural, enforceable by any administrative or judicial action.

(g) BUDGETARY EFFECTS OF PAYGO LEGISLATION FOR THIS SECTION.—The budgetary effects of this section, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this section, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

**SA 4475.** Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, insert the following:

**SEC. \_\_\_\_ . DISCRETIONARY SPENDING LIMITS.**

(a) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, or conference report that includes any provision that would cause the discretionary spending limits as set forth in this section to be exceeded.

(b) LIMITS.—In this section, the term “discretionary spending limits” has the following meaning subject to adjustments in subsection (c):

(1) For fiscal year 2011—

(A) for the defense category (budget function 050), \$564,293,000,000 in budget authority; and

(B) for the nondefense category, \$540,116,000,000 in budget authority.

(2) For fiscal year 2012—

(A) for the defense category (budget function 050), \$573,612,000,000 in budget authority; and

(B) for the nondefense category, \$543,790,000,000 in budget authority.

(3) For fiscal year 2013—

(A) for the defense category (budget function 050), \$584,421,000,000 in budget authority; and

(B) for the nondefense category, \$551,498,000,000 in budget authority.

(4) With respect to fiscal years following 2013, the President shall recommend and the Congress shall consider legislation setting limits for those fiscal years.

(c) ADJUSTMENTS.—

(1) IN GENERAL.—After the reporting of a bill or joint resolution relating to any matter described in paragraph (2), or the offering of an amendment thereto or the submission of a conference report thereon—

(A) the Chairman of the Senate Committee on the Budget may adjust the discretionary spending limits, the budgetary aggregates in the concurrent resolution on the budget most recently adopted by the Senate and the House of Representatives, and allocations pursuant to section 302(a) of the Congressional Budget Act of 1974, by the amount of new budget authority in that measure for that purpose and the outlays flowing there from; and

(B) following any adjustment under subparagraph (A), the Senate Committee on Appropriations may report appropriately revised suballocations pursuant to section 302(b) of the Congressional Budget Act of 1974 to carry out this subsection.

(2) MATTERS DESCRIBED.—Matters referred to in paragraph (1) are as follows:

(A) OVERSEAS DEPLOYMENTS AND OTHER ACTIVITIES.—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013, that provides funding for overseas deployments and other activities, the adjustment for purposes paragraph (1) shall be the amount of budget authority in that measure for that purpose but not to exceed—

(i) with respect to fiscal year 2011, \$50,000,000,000 in new budget authority;

(ii) with respect to fiscal year 2012, \$50,000,000,000 in new budget authority; and

(iii) with respect to fiscal year 2013, \$50,000,000,000 in new budget authority.

(B) INTERNAL REVENUE SERVICE TAX ENFORCEMENT.—

(i) IN GENERAL.—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013, that includes the amount described in clause (ii)(I), plus an additional amount for enhanced tax enforcement to address the Federal tax gap (taxes owed but not paid) described in clause (ii)(II), the adjustment for purposes of paragraph (1) shall be the amount of budget authority in that measure for that initiative not exceeding the amount specified in clause (ii)(II) for that fiscal year.

(ii) AMOUNTS.—The amounts referred to in clause (i) are as follows:

(I) For fiscal year 2011, \$7,171,000,000, for fiscal year 2012, \$7,243,000,000, and for fiscal year 2013, \$7,315,000,000.

(II) For fiscal year 2011, \$899,000,000, for fiscal year 2012, and \$908,000,000, for fiscal year 2013, \$917,000,000.

(C) CONTINUING DISABILITY REVIEWS AND SSI REDETERMINATIONS.—

(i) IN GENERAL.—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013 that includes the amount described in clause (ii)(I), plus an additional amount for Continuing Disability Reviews and Supplemental Security Income Redeterminations for the Social Security Administration described in clause (ii)(II), the adjustment for purposes of paragraph (1) shall be the amount of budget authority in that measure for that initiative not exceeding the amount specified in clause (ii)(II) for that fiscal year.

(ii) AMOUNTS.—The amounts referred to in clause (i) are as follows:

(I) For fiscal year 2011, \$276,000,000, for fiscal year 2012, \$278,000,000, and for fiscal year 2013, \$281,000,000.

(II) For fiscal year 2011, \$490,000,000; for fiscal year 2012, and \$495,000,000; for fiscal year 2013, \$500,000,000.

(iii) ASSET VERIFICATION.—

(I) IN GENERAL.—The additional appropriation permitted under clause (ii)(II) may also provide that a portion of that amount, not to exceed the amount specified in subclause (II) for that fiscal year instead may be used for asset verification for Supplemental Security Income recipients, but only if, and to the extent that the Office of the Chief Actuary es-

timates that the initiative would be at least as cost effective as the redeterminations of eligibility described in this subparagraph.

(II) AMOUNTS.—For fiscal year 2011, \$34,340,000, for fiscal year 2012, \$34,683,000, and for fiscal year 2013, \$35,030,000.

(D) HEALTH CARE FRAUD AND ABUSE.—

(i) IN GENERAL.—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013 that includes the amount described in clause (ii) for the Health Care Fraud and Abuse Control program at the Department of Health & Human Services for that fiscal year, the adjustment for purposes of paragraph (1) shall be the amount of budget authority in that measure for that initiative but not to exceed the amount described in clause (ii).

(ii) AMOUNT.—The amount referred to in clause (i) is for fiscal year 2011, \$314,000,000, for fiscal year 2012, \$317,000,000, and for fiscal year 2013, \$320,000,000.

(E) UNEMPLOYMENT INSURANCE IMPROPER PAYMENT REVIEWS.—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013 that includes \$10,000,000, plus an additional amount for in-person reemployment and eligibility assessments and unemployment improper payment reviews for the Department of Labor, the adjustment for purposes paragraph (1) shall be the amount of budget authority in that measure for that initiative but not to exceed—

(i) with respect to fiscal year 2011, \$51,000,000 in new budget authority;

(ii) with respect to fiscal year 2012, \$51,000,000 in new budget authority; and

(iii) with respect to fiscal year 2013, \$52,000,000 in new budget authority.

(F) LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP).—If a bill or joint resolution is reported making appropriations for fiscal year 2011, 2012, or 2013 that includes \$3,200,000,000 in funding for the Low-Income Home Energy Assistance Program and provides an additional amount up to \$1,900,000,000 for that program, the adjustment for purposes of paragraph (1) shall be the amount of budget authority in that measure for that initiative but not to exceed \$1,900,000,000.

(d) EMERGENCY SPENDING.—

(1) AUTHORITY TO DESIGNATE.—In the Senate, with respect to a provision of direct spending or receipts legislation or appropriations for discretionary accounts that Congress designates as an emergency requirement in such measure, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be treated as an emergency requirement for the purpose of this subsection.

(2) EXEMPTION OF EMERGENCY PROVISIONS.—Any new budget authority, outlays, and receipts resulting from any provision designated as an emergency requirement, pursuant to this subsection, in any bill, joint resolution, amendment, or conference report shall not count for purposes of this section, sections 302 and 311 of this Act, section 201 of S. Con. Res. 21 (110th Congress) (relating to pay-as-you-go), section 311 of S. Con. Res. 70 (110th Congress) (relating to long-term deficits), and section 404 of S. Con. Res. 13 (111th Congress).

(3) DESIGNATIONS.—If a provision of legislation is designated as an emergency requirement under this subsection, the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (6).

(4) DEFINITIONS.—In this subsection, the terms “direct spending”, “receipts”, and “appropriations for discretionary accounts” mean any provision of a bill, joint resolution, amendment, motion, or conference re-

port that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(5) POINT OF ORDER.—

(A) IN GENERAL.—When the Senate is considering a bill, resolution, amendment, motion, or conference report, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

(B) SUPERMAJORITY WAIVER AND APPEALS.—

(i) WAIVER.—Subparagraph (A) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(ii) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this paragraph shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this paragraph.

(C) DEFINITION OF AN EMERGENCY DESIGNATION.—For purposes of subparagraph (A), a provision shall be considered an emergency designation if it designates any item as an emergency requirement pursuant to this paragraph.

(D) FORM OF THE POINT OF ORDER.—A point of order under subparagraph (A) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(E) CONFERENCE REPORTS.—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this paragraph, and such point of order being sustained, such material contained in such conference report shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

(6) CRITERIA.—

(A) IN GENERAL.—For purposes of this subsection, any provision is an emergency requirement if the situation addressed by such provision is—

(i) necessary, essential, or vital (not merely useful or beneficial);

(ii) sudden, quickly coming into being, and not building up over time;

(iii) an urgent, pressing, and compelling need requiring immediate action;

(iv) subject to clause (ii), unforeseen, unpredictable, and unanticipated; and

(v) not permanent, temporary in nature.

(7) UNFORESEEN.—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(e) LIMITATIONS ON CHANGES TO EXEMPTIONS.—It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report that would exempt any new

budget authority, outlays, and receipts from being counted for purposes of this section.

(f) POINT OF ORDER IN THE SENATE.—

(1) WAIVER.—The provisions of subsections (a) and (e) may be waived or suspended in the Senate only—

(A) by the affirmative vote of two-thirds of the Members, duly chosen and sworn; or

(B) in the case of the defense budget authority, if Congress declares war or authorizes the use of force.

(2) APPEAL.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the measure. An affirmative vote of two-thirds of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(3) LIMITATIONS ON CHANGES TO THIS SUBSECTION.—It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report that would repeal or otherwise change this subsection.

**SA 4476.** Mrs. HUTCHISON (for herself and Mr. BAYH) submitted an amendment intended to be proposed by her to the bill H.R. 5297, to create the Small Business Lending Fund Program to direct the Secretary of the Treasury to make capital investments in eligible institutions in order to increase the availability of credit for small businesses, to amend the Internal Revenue Code of 1986 to provide tax incentives for small business job creation, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . SHAREHOLDER REGISTRATION THRESHOLD.**

(a) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—

(1) SECTION 12.—Section 12(g) of the Securities Exchange Act of 1934 (15 U.S.C. 781(g)) is amended—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) and (B) and inserting the following:

“(A) in the case of an issuer that is a bank, as such term is defined in section 3(a)(6) of this title, or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 2000 persons or more; and

“(B) in the case of an issuer that is not a bank or bank holding company, 500 persons or more.”; and

(ii) by striking “commerce shall” and inserting “commerce shall, not later than 120 days after the last day of its first fiscal year ended after the effective date of this subsection, on which the issuer has total assets exceeding \$10,000,000 and a class of equity security (other than an exempted security) held of record by”;

(B) in paragraph (4), by striking “three hundred” and inserting “300 persons, or, in the case of a bank, as such term is defined in section 3(a)(6) of this title, or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 1200”.

(2) SECTION 15.—Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d)) is amended, in the third sentence, by striking “three hundred” and inserting “300 persons, or, in the case of a bank, as such term is defined in section 3(a)(6) of this title, or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 1200”.

(b) STUDY OF REGISTRATION THRESHOLDS.—

(1) STUDY.—

(A) ANALYSIS REQUIRED.—The Chief Economist and Director of the Division of Corporation Finance of the Commission shall jointly conduct a study, including a cost-benefit analysis, of shareholder registration thresholds.

(B) COSTS AND BENEFITS.—The cost-benefit analysis under subparagraph (A) shall take into account—

(i) the incremental benefits to investors of the increased disclosure that results from registration;

(ii) the incremental costs to issuers associated with registration and reporting requirements; and

(iii) the incremental administrative costs to the Commission associated with different thresholds.

(C) THRESHOLDS.—The cost-benefit analysis under subparagraph (A) shall evaluate whether it is advisable to—

(i) increase the asset threshold;

(ii) index the asset threshold to a measure of inflation;

(iii) increase the shareholder threshold;

(iv) change the shareholder threshold to be based on the number of beneficial owners; and

(v) create new thresholds based on other criteria.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Chief Economist and the Director of the Division of Corporation Finance of the Commission shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes—

(A) the findings of the study required under paragraph (1); and

(B) recommendations for statutory changes to improve the shareholder registration thresholds.

(c) RULEMAKING.—Not later than one year after the date of enactment of this Act, the Commission shall issue final regulations to implement this section and the amendments made by this section.

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON ARMED SERVICES**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on July 14, 2010, at 2:30 p.m.

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

**COMMITTEE ON FINANCE**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 14, 2010, at 10 a.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing entitled “The Future of Individual Tax Rates: Effects on Economic Growth and Distribution.”

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

**COMMITTEE ON FOREIGN RELATIONS**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on July 14, 2010, at 9:30 a.m., to hold a closed hearing entitled “The New START Treaty (Treaty Doc. 111-

5): Monitoring and Verification of Treaty compliance.”

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

**COMMITTEE ON FOREIGN RELATIONS**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on July 14, 2010, at 2 p.m., to hold a hearing entitled “Afghanistan: Governance and the Civilian Strategy.”

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

**COMMITTEE ON VETERANS' AFFAIRS**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on July 14, 2010. The Committee will meet in room 418 of the Russell Senate Office Building beginning at 9:30 a.m.

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

**SUBCOMMITTEE ON CRIME AND DRUGS**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary, Subcommittee on Crime and Drugs, be authorized to meet during the session of the Senate, on July 14, 2010, at 10 a.m., in room SD-226 of the Dirksen Senate Office Building, to conduct a hearing entitled “Evaluating The Justice Against Sponsors of Terrorism Act, S. 2930.”

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

**SUBCOMMITTEE ON INTERNATIONAL TRADE, CUSTOMS, AND GLOBAL COMPETITIVENESS**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on International Trade, Customs, and Global Competitiveness of the Committee on Finance be authorized to meet during the session of the Senate on July 14, 2010, at 3 p.m., in room 215 of the Dirksen Senate Office Building, to conduct a hearing entitled “Marine Wealth: Promoting Conservation and Advancing American Exports.”

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

**SUBCOMMITTEE ON WATER AND POWER**

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power be authorized to meet during the session of the Senate in order to conduct a hearing on Wednesday, July 14, at 3:30 p.m., in room SD-366 of the Dirksen Senate Office Building.

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

**PRIVILEGES OF THE FLOOR**

Mr. HARKIN. Mr. President, I ask unanimous consent that Stephen Hart, Sean Long, Cara Krueger, and Jesse Greenwald, of my staff, be granted the privilege of the floor for the duration of today's proceedings.

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

Mr. DODD. Mr. President, I ask unanimous consent that Michael Adelman, Dylan Aluise, Tyler Blaser, Jeremy Bui, Michael Curto, Teddy Downe, Tim Fitzsimons, Sarah Flanagan, Oliver Hayes, Megan Keenan, Evan Kravitz, Alice Lu, Lena Peck, Mackie Reilly, Jamie Winchester, and Ben Yeo be granted floor privileges for the duration of the debate on the conference report to accompanying H.R. 4173, the Wall Street Reform and Consumer Protection Act.

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

STEVE GOODMAN POST OFFICE  
BUILDING

ZACHARY SMITH POST OFFICE  
BUILDING

MICHAEL C. ROTHBERG POST  
OFFICE BUILDING

Mr. LEVIN. Mr. President, I ask unanimous consent that the Senate proceed to the following postal naming bills en bloc: Calendar Nos. 450, 451, and 452; H.R. 4861, H.R. 5051, and H.R. 5099.

There being no objection, the Senate proceeded to consider the bills en bloc.

Mr. LEVIN. I ask unanimous consent that the bills be read a third time and passed en bloc, the motions to reconsider be laid upon the table en bloc, with no intervening action or debate, and any statements relating to the bills be printed in the RECORD.

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

The bills (H.R. 4861, H.R. 5051, H.R. 5099) were ordered to be read a third time, were read the third time, and passed.

EMERGENCY MANAGEMENT AS-  
SISTANCE COMPACT GRANT RE-  
AUTHORIZATION ACT OF 2009

Mr. LEVIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 223, S. 1288.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1288) to authorize appropriations for grants to the States participating in the Emergency Management Assistance Compact, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Homeland Security and Governmental Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

S. 1288

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

*This Act may be cited as the "Emergency Management Assistance Compact Grant Reauthorization Act of 2009".*

**SEC. 2. EMERGENCY MANAGEMENT ASSISTANCE COMPACT GRANTS.**

*Section 661(d) of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. 761(d)) is amended by striking "fiscal year 2008" and inserting "each of fiscal years 2010 through 2012".*

Mr. LEVIN. Mr. President, I ask unanimous consent that the committee-reported substitute be agreed to; the bill, as amended, be read a third time and passed; the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the bill be printed in the RECORD.

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

The committee amendment in the nature of a substitute was agreed to.

The bill, (S. 1288), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

MODIFYING DATE THE ADMINIS-  
TRATOR OF THE ENVIRON-  
MENTAL PROTECTION AGENCY  
AND APPLICABLE STATES MAY  
REQUIRE PERMITS

Mr. LEVIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 433, S. 3372.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3372) to modify the date on which the Administrator of the Environmental Protection Agency and applicable States may require permits for discharges from percent vessels.

There being no objection, the Senate proceeded to consider the bill.

Mr. LEVIN. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements related to the bill be printed in the RECORD.

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

The bill (S. 3372) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3372

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. DISCHARGES INCIDENTAL TO NORMAL OPERATION OF VESSELS.**

Section 2(a) of Public Law 110-299 (33 U.S.C. 1342 note) is amended by striking "during the 2-year period beginning on the date of enactment of this Act" and inserting "during the period beginning on the date of the enactment of this Act and ending on December 18, 2013".

MEASURE READ THE FIRST  
TIME—S. 3588

Mr. LEVIN. Mr. President, I understand that there is a bill at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title for the first time.

The assistant legislative clerk read as follows:

A bill (S. 3588) to limit the moratorium on certain permitting and drilling activities issued by the Secretary of the Interior, and for other purposes.

Mr. LEVIN. Mr. President, I ask for a second reading, and under the provisions of rule XIV, I object to my own request.

The PRESIDING OFFICER. Objection is heard. The bill will be read for the second time on the next legislative day.

ORDERS FOR THURSDAY, JULY 15,  
2010

Mr. LEVIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 on Thursday, July 15; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day; that following any leader remarks, the Senate resume consideration of the conference report to accompany H.R. 4173, the Wall Street reform bill, as provided for under the previous order.

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

PROGRAM

Mr. LEVIN. Mr. President, Senators should expect a rollcall vote at approximately 11 a.m. tomorrow. That vote will be on the motion to invoke cloture on the Wall Street reform conference report.

ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

Mr. LEVIN. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 8:01 p.m., adjourned until Thursday, July 15, 2010, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

THE JUDICIARY

VICTORIA FRANCES NOURSE, OF WISCONSIN, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SEVENTH CIRCUIT, VICE TERENCE T. EVANS, RETIRED.

MARCO A. HERNANDEZ, OF OREGON, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF OREGON, VICE GARR M. KING, RETIRED.

BERYL ALAINE HOWELL, OF THE DISTRICT OF COLUMBIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA, VICE PAUL L. FRIEDMAN, RETIRED.

STEVE C. JONES, OF GEORGIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF GEORGIA, VICE ORINDA D. EVANS, RETIRED.

SUE E. MYERSCOUGH, OF ILLINOIS, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS, VICE JEANNE E. SCOTT, RESIGNED.

DIANA SALDANA, OF TEXAS, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS, VICE GEORGE P. KAZAN, RETIRED.

MICHAEL H. SIMON, OF OREGON, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF OREGON, VICE ANGER L. HAGGERTY, RETIRED.

DEPARTMENT OF JUSTICE

CONRAD ERNEST CANDELARIA, OF NEW MEXICO, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEW

MEXICO FOR THE TERM OF FOUR YEARS, VICE GORDEN EDWARD EDEN, JR., TERM EXPIRED.

JAMES EDWARD CLARK, OF KENTUCKY, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF KENTUCKY FOR THE TERM OF FOUR YEARS, VICE RONALD RICHARD MCCUBBIN, JR., TERM EXPIRED.

JOSEPH ANTHONY PAPILI, OF DELAWARE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF DELAWARE FOR THE TERM OF FOUR YEARS, VICE DAVID WILLIAM THOMAS, TERM EXPIRED.

JAMES ALFRED THOMPSON, OF UTAH, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF UTAH FOR THE TERM OF FOUR YEARS, VICE RANDALL DEAN ANDERSON, TERM EXPIRED.

MARK F. GREEN, OF OKLAHOMA, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS, VICE SHELDON J. SPERLING, TERM EXPIRED.

JOSEPH H. HOGSETT, OF INDIANA, TO BE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF INDIANA FOR THE TERM OF FOUR YEARS, VICE SUSAN W. BROOKS, RESIGNED.

#### IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

#### *To be brigadier general*

COL. WILLIAM T. COLLINS  
COL. JAMES S. HARTSELL  
COL. ROGER R. MACHUT  
COL. MARCELA J. MONAHAN

#### IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY NURSE CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

#### *To be lieutenant colonel*

ILSE K. ALUMBAUGH  
CRISTINA R. BAGAYMETCALF  
KIMBERLIE A. BIEVER  
SIMONA A. BLACK  
REBECCA L. BLANKENSHIP  
ROBIN R. BLIXT  
KRISTIN A. BROWN  
GLEN E. CARLSSON  
DAVID A. CERVANTES  
AMAL GHATILA  
MICHAEL B. CLINE  
LASHANDA C. COBBS  
DEWEY R. COLLIER II  
DONALD D. DENDY  
CARLA M. DICKINSON  
AMANDA R. FORRISTAL  
XIOMARA I. FRAY  
BETTY K. GARNER  
JOHN J. GODESA  
CLYDE L. HILL, JR.  
KATHI J. HILL  
KEITH F. HOLLIDAY  
SUSAN G. HOPKINSON  
CRYSTAL L. HOUSE  
CONSTANCE L. JENKINS  
HARRIET D. JOHNSON  
LISA M. JOHNSON  
MARJORIE A. JOHNSON  
SAMUEL L. JONES, JR.  
ROBERT E. KUTSCHMAN  
ERIC J. LEWIS  
KELLY J. LONGENECKER  
MARK A. MACDOUGALL  
ELIZABETH A. MANN  
LEROY MARKLUND  
JOHN J. MELVIN  
KRISTAL C. MELVIN  
JOHN F. MEYER, JR.  
LISA E. MILLER  
PAUL B. MITTELSTADT  
ANNE M. MITZAK  
MICHAEL S. MURPHY  
BEBBE A. NAYBACK  
LEONETTA T. OLIPHANT  
WENDY M. PERRY  
DOUGLAS A. PHILLIPS  
KYLEE V. PLUMMER  
VICTORIA J. PREHN  
KATHY PRESPEER  
CATHY L. PRICE  
SHARON L. PURVIANCE  
EVELYN J. QUAIN  
CINDY S. RENAKER  
JOAN K. RIORDAN  
MELAINA E. SHARPE  
ANGELA M. SIMMONS  
JAMES E. SIMMONS  
ANGELA L. STONE  
ASTRID D. STURM  
JOHN E. TAYLOR  
BRIDGET R. TERWILLIGER  
RUTH J. TIMMS  
MAI T. TRAN  
MELISSA A. WALLACE

BRETT L. WELDEN  
HEIDI I. WHITESCARVER  
MORRIS E. WILDER  
CORY M. WILLIAMS  
PAMELA M. WULF

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY VETERINARY CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

#### *To be lieutenant colonel*

DERRON A. ALVES  
MICHAEL R. BONHAGE  
JENNIFER L. CHAPMAN  
NICOLE A. CHEVALIER  
REBECCA I. EVANS  
CHRISTOPHER S. GAMBLE  
JAMES T. GILES  
MADONNA M. HIGGINS  
KIMBERLY LAWLER  
JOSEPH NOVAK, JR.  
DOUGLAS S. OWENS  
CARL I. SHAI  
DEIDRA J. SHUCKLEE  
DEIDRE E. STOFFREGEN  
MATT S. TAKARA  
SAMUEL L. YINGST

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SERVICE CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

#### *To be lieutenant colonel*

JENNIFER L. ANDERSON  
RONALD M. ATKINSON, SR.  
JAMES R. AUVEL  
BARBARA J. BACHMAN  
KEVIN R. BASS  
JOHN D. BELEW  
ENRICO Z. BERMUDEZ  
DANIEL C. BRANT, JR.  
LOLITA M. BURRELL  
JONATHAN B. BUTLER  
JENNIFER J. CAMP  
JOSE E. CAPOAPONTE  
ROBERTO CARDENAS  
STACEY L. CAUSEY  
DONALD J. CHAPMAN  
CYNTHIA Y. CHIDRESS  
WILLIAM D. CLYDE  
NOEL A. CUFF  
GAYLE DAVIS  
WILLIE E. DAVIS  
JAMES C. DEAK  
FRED L. DELACRUZ  
ALYSON M. DELANEY  
SCOT A. DOBOSZENSKI  
PATRICK A. DONAHUE  
CURTIS W. DOUGLASS  
CHRISTOPHER F. DRUM  
ERIC C. DRYNAN  
MARLA J. FERGUSON  
DONALD E. FINE, JR.  
JAMES T. FLANAGAN, JR.  
RICHARD G. FORNILI  
FRANCIS M. FOTA  
TOBIAS J. GLISTER  
JORDAN V. HENDERSON  
SHARON L. HENDERSON  
MICHAEL S. HOGAN  
MICHAEL S. HUGHES  
RALPH T. JENKINS  
DEBORAH R. JOHNSON  
THOMAS A. JONES  
TATHETRA M. JOSEPH  
DIRK D. LAFLEUR  
KELLY M. LAUREL  
JAMES E. LEE  
EDWARD F. MANDRIL  
DAVID A. MARQUEZ  
TERRY M. MARTINEZ  
ERIC M. MCCLUNG  
JENNIFER J. MCDANNALD  
DENNIS MCGURK  
CHARLES O. MCKEITHEN, JR.  
DEBRA J. MCGNAMARA  
ANTHONY A. MEADOR  
CARZELL MIDDLETON  
TODD J. MOULTRIE  
SCOTT A. MOWER  
NEIL I. NELSON  
SCOTT H. NEWKIRK  
ERIC J. NEWLAND  
MATTHEW J. OTTING  
ERIC E. POULSEN  
ROBERT D. PRINS  
JAMES L. REYNOLDS  
JONATHAN C. RUWE  
THERESA E. SAVILLE  
BEVERLY S. SCOTT  
DAVID W. SEED  
AATIF M. SHEIKH  
STEVEN E. SHIPLEY  
DAVID L. SLONIKER  
COREY L. SMALLS

JOHN P. STALEY  
MARK A. STEVENS  
GEORGE E. STOPPLECAMP  
AUDRA L. TAYLOR  
JOSEPH E. THEMANN  
GEORGE W. THOMPSON III  
CHRISTOPHER M. TODD  
CHARLES L. UNRUH  
ROY L. VERNON, JR.  
JOHN D. VETTER  
JOSEPH K. WEAVER  
JONATHAN R. WEBB  
EDWARD J. WEINBERG  
RONALD J. WHALEN  
JOHN E. WHITE  
RICHARD A. WILSON  
RAQUEL D. WRIGHT  
DEREK O. ZITKO  
D002473  
D003890  
D003940  
D006711

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY JUDGE ADVOCATE GENERAL'S CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

#### *To be major*

EDWARD J. BENZ III

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SPECIALIST CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

#### *To be lieutenant colonel*

PAUL W. CARDEN  
DAVID A. FREEL  
NORMAN W. GILL III  
PAGE A. KARSTETER  
JAMES T. MILLS III  
JAMES T. SCHUMACHER, JR.  
AMY J. TREVINO  
JOHNNY R. VANDIVER  
JOHN M. VONDRUSKA  
SHERRY L. WOMACK

#### IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR TEMPORARY APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5721:

#### *To be lieutenant commander*

JARED A. BATTANI  
KARL BRANDL  
JODY D. BRONAUGH  
WILLIAM H. BROWN  
DAVID E. BYRNE  
MICHAEL CANAVATI, JR.  
MICHAEL J. CLUVER  
CARL R. CRINGLE  
ROBERT L. EDMONSON III  
SEAN C. FLANAGAN  
JOSEPH M. FONTENOT  
PETER A. GAAL  
LADONNA M. GORDON  
JON S. HALL  
TRACY L. HANSON  
CHARLES D. LINNEMANN  
MICHAEL R. MAZZONE  
ROBERT J. MCDOWELL, JR.  
JOSEPH B. MITZEN  
ADAM J. PAPPAS  
SETH A. RUMLER  
JEREAD L. SINES  
JAMES G. TUTHILL III  
KATHRYN S. WIJNALDUM  
MICHAEL A. WITHERILL  
ROBERT D. YOUNG

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

#### *To be lieutenant commander*

VIRGINIA SKIBA

## WITHDRAWAL

Executive Message transmitted by the President to the Senate on July 14, 2010 withdrawing from further Senate consideration the following nomination:

SUE E. MYERSCOUGH, OF ILLINOIS, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS, VICE JOE B. MCDADE, RETIRED, WHICH WAS SENT TO THE SENATE ON JUNE 17, 2010.