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No. 51

Senate

The Senate met at 9 a.m. and was called to order by the Honorable SHERROD BROWN, a Senator from the State of Ohio.

PRAYER

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

Let us pray.

Spirit of the living God, fix our thoughts on You. Let not arrogant or impure thinking distract us from listening to You. Focus the attention of our Senators on serving You as they seek to do Your will. Make them wise to discern what they don't know.

Lord, today, enable our lawmakers to debate without quarreling. May they strengthen their friendships with each other. Inspire them to become disciplined followers, always ready to obey Your commands. May their lives be open letters for You that people can receive blessings from reading. Guide, teach, and strengthen our Senators until they reflect Your image of purity, gentleness, honesty, humility, generosity, and love.

We pray in Your blessed Name. Amen.

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. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 23, 2007.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHERROD BROWN, a Senator from the State of Ohio, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BROWN 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, the Senate will immediately resume consideration of the budget resolution, and only 30 minutes remains for debate. That time is equally divided between the two managers of the bill.

It is my understanding that the staffs of the chair and ranking member have been in discussions about establishing some order in the way the amendments will be voted on during the early stages of this vote-arama.

Members are asked to stay near the Chamber once the voting begins. There will be 10-minute votes all day long, and that time will be enforced for both sides.

RESERVATION OF LEADER TIME

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

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2008

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 21, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for the fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

Pending:

Kyl/Thune amendment No. 583, to reform the death tax by setting the exemption at \$5 million per estate, indexed for inflation, and

the top death tax rate at no more than 35 percent beginning in 2010, to avoid subjecting an estimated 119,200 families, family businesses, and family farms to the death tax each and every year, to promote continued economic growth and job creation, and to make the enhanced teacher deduction permanent.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 30 minutes of debate equally divided and controlled between the chairman and ranking member of the Budget Committee.

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, first, I thank the Chaplain for the most excellent prayer that he offered today. I think it set the right tone for today's discussions. I hope very much that while we may disagree strenuously, we can do so in a civil way. I thank especially the ranking member, Senator GREGG, for the way he has conducted this debate on the other side throughout. As is always the case with him, it has been thoroughly professional. It has set an excellent tone. We have vigorous disagreements on policy from time to time, but there are many areas where we actually agree. With him in leadership, it has always been done in a professional way. We especially appreciate the cooperation from all of our colleagues and especially from the ranking member and his outstanding staff.

The budget, as it stands at this moment, takes us in a new direction. It takes us back to fiscal responsibility. It takes us toward a balanced budget by 2012. Here is where the budget stands as of the latest numbers that we have after action last night. Every year of the 5-year budget the deficits will be reduced until we are in balance in 2012, albeit just barely.

The next chart. The debt under the budget resolution, the gross debt of the United States as a percentage of GDP, will finally start to head down instead of increasing year after year after year.

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



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Under this budget resolution, the gross debt of the United States as a share of GDP will start going down in 2009. We will see a slight reduction in 2010. It is somewhat improved, in terms of reduction, in 2011 and 2012.

Spending under this budget resolution is going down as a share of gross domestic product—from 20.5 percent in 2008 down to 18.8 percent in 2012. So we have spending going in the right direction.

The budget resolution is only slightly above baseline for nondefense discretionary funding. The baseline is \$438.8 billion. The spending in the 2008 budget resolution is \$445 billion, a 1.4-percent difference. That is spending in dollar terms. I was talking about spending previously as a share of GDP. The previous chart showed spending as a share of GDP actually going down.

We do have a number of very significant priorities addressed in this budget. First and foremost is children's health care. We have up to \$50 billion allocated over 5 years for children's health care to make possible the coverage for every child who would be eligible in the country. That is 25 times as much as in the President's budget for that same period.

We have also improved on the President's education numbers by 2008. In 2008, the budget resolution provides \$62.3 billion compared to the President's budget for education of \$56.2 billion for that year.

Another key priority is veterans health care. I am especially proud of what we have done. We have matched, or exceeded, the independent budget prepared by the Nation's veterans organizations. We have matched or exceeded it in every single category except construction, where the Veterans' Affairs Committee tells us they could not spend the amount of money in the independent budget because they simply could not let the contracts in time. In comparison to the President, we are at \$43.1 billion for veterans funded, compared to the President's number of \$39.6 billion.

On the alternative minimum tax, the old millionaires' tax that is rapidly becoming a middle-class tax trap, we prevent the number of people being swept up into the AMT from increasing from 3.8 million last year. If we didn't take action, that would increase to over 23 million in 2007. We prevent that increase from 3.8 million to over 23 million.

Similarly, in 2008, we prevent an increase to over 25 million people—largely the middle class—and to the upper side of the middle class from being caught up in the alternative minimum tax. That, by the way, is completely offset. Key priorities are the child health and family tax relief amendment. There is \$15 billion in the budget resolution itself for children's health care. There is up to \$35 billion in a deficit-neutral reserve fund. We also now in the resolution, after the Baucus amendment, extend middle-class tax relief.

We fully provide for marriage penalty tax relief, child tax credit, and the 10-percent bracket. We also provide for estate tax reform. Members will recall that we have this anomalous situation where we are going to go from \$3.5 million of exemption per person under the estate tax in 2009—in 2011 it goes back to a million. We prevent that from occurring. So under the budget resolution, a couple could shield \$7 million in assets without paying a penny of tax, and it is indexed for inflation.

The revenues in this resolution now, compared to the President's, are depicted on this chart. The green line is our revenues; the red line is the President's revenues. There is a difference of 1.8 percent now.

Seen in a different way, if you look back at what the President initially proposed for revenue, the President proposed \$14.826 trillion of revenue. We have in this resolution almost the identical amount; we have \$14.827 trillion.

So let me make clear that there is almost no difference in the revenue in this proposal compared to what the President initially proposed. Where would we get that slight difference in revenue? In the first place, there is no tax increase. We don't propose any tax increase in this budget resolution at all. I read some of the stories saying we have all these tax increases. We do not.

We do believe more revenue can be gained. The first place to go is the tax gap. That is the difference between what is owed and what is paid. In 2001 alone, the Internal Revenue Service tells us the tax gap was \$345 billion.

Also, offshore tax havens. I have shown this picture many times. There is a five-story building in the Cayman Islands that is the home to 12,748 companies. Mr. President, this is a tax dodge. There are not over 12,000 companies doing business out of this building. They are doing monkey business out of this building. They are engaged in a massive tax evasion. This is the kind of thing we ought to shut down.

Another committee of Congress has told us that there is \$100 billion a year—over \$500 billion over 5 years—being lost to the U.S. Treasury to these offshore tax haven scams. We suggest cutting that off, stopping it, recovering that revenue. In fact, that would more than cover, by a substantial amount, the revenue difference between us and what is in the President's proposal.

Here is another example. This is a picture of a sewer system in Europe. What does a sewer system in Europe have to do with the budget of the United States? Unfortunately, a lot because wealthy investors and companies bought this sewer system in Europe, depreciated it on the books in the United States to reduce their tax in America, and then they leased the sewer system back to the European city that built it in the first place.

There are hundreds of billions of dollars involved in these tax scams. It is growing, and it is a cancer that has to be stopped.

This budget resolution also makes a beginning at addressing our long-term fiscal challenges. We have \$15 billion in Medicare savings. We have major program initiatives to crack down on waste, fraud, and abuse. We have a requirement that tax cuts and new mandatory spending be paid for with a tough pay-go provision. We have a long-term deficit increase point of order. We have a "save Social Security first" point of order. We have a health information technology reserve fund. The Rand Corporation told us that alone could save \$81 billion a year.

Finally, we have a comparative effectiveness reserve fund so that we go out and look at what are the most effective technologies and treatments in the medical area that work in one part of the country but have not yet been applied elsewhere. Health experts tell us massive savings could come from that initiative.

Let me end as I began. This budget resolution takes us in a new direction, a better direction. This is a budget resolution which restores fiscal discipline. It will balance the books by 2012; it will meet the high-priority needs of the United States; it fully funds the President's defense request and his request for war costs; it has major tax reductions for those in the middle class so that we assure that middle-class tax breaks continue. It also provides for estate tax reform and, at the same time, begins to address the long-term fiscal challenges facing our Nation.

I don't assert that this is a perfect budget. If I had a totally free hand, I am certain it would be different. But at the end of the day, the test for us is, can we write a budget for our country? In 3 of the last 5 years, there has not been a budget for the United States of America. Let me repeat that. In 3 of the last 5 years, there has not been a budget for the United States. It is our obligation and our responsibility to put a budget in place to begin the difficult task of balancing the books while meeting the priority needs of our Nation.

I thank the Chair and yield the floor. The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I begin by returning the courtesies of the chairman and doing it with sincerity. The chairman and his staff have been gracious and fair with us and, obviously, they are always professional. It is a pleasure to work with him and his staff.

We do, obviously, have philosophical differences, but hopefully it is a reflection of how this place should work, which is we do it professionally, we don't game each other, we don't yell at each other—sometimes we yell at each other—we basically air our views, make our points, go to our votes, and allow everybody to get their 2 cents in. That is the way this place should work, and it works because the chairman is courteous enough to allow us to accomplish that. I thank him for that and his

staff. They have done a great job here, as well as mine.

I do agree the country needs a budget. That is critical. But regrettably, the budget he has brought forward is not a good budget for this country. It is a budget that is inconsistent in many areas, but at its essence is the fact that it spends a lot more money, grows the size of the Government, increases taxes a great deal, increases the debt a great deal and, regrettably, does not address the most essential issue we face today, which is the fiscal meltdown this country is going to face when we put on our children the cost of the Government as we head into the retirement of the baby boom generation.

This chart reflects that situation. It is a little outdated because it was done earlier, and we don't have a chart machine like the chairman, but it essentially captures the concept that this budget has \$700 billion in tax increases. That is the one number which is wrong on this chart because of the Baucus amendment being adopted—\$700 billion of tax increases. That is the largest tax increase in the history of the country. There is \$144 billion minimum in non-defense discretionary spending, \$2 trillion of new debt, and it does nothing in the entitlement area.

The inconsistencies in this budget are palpable. In the tax area, for example, this budget, as I mentioned, will be the largest tax increase in the history of the country and will take us down the road toward what is essentially a European tax system where essentially we are going to be looking at a total tax burden on the American people that will head toward the tax burden of the nation of France. When this budget reaches its end, it will be about a 19-percent to 19.5-percent tax burden on the American people. Historically, the Federal Government tax burden has been about 18.2 percent. That is a huge increase.

The chairman holds up these charts which show the lines are very close between the President's tax increases and his tax increases. But his tax increases, as he says, recalculated now are about 2 percent higher than the President. Two percent is real money when you are talking a base of \$3 trillion. In fact, 2 percent represents approximately a little more than a quarter of a trillion dollars in new taxes above what the President would have suggested.

Those are huge tax increases which the American people are going to have to bear. The concept that keeps being put out here, that these are not going to be tax increases, that they are going to be found behind a curtain somewhere, is simply not defensible. It doesn't pass what I call the duck test. It is ducking the issue, basically. But it doesn't pass the duck test; that is, if it looks like a duck, walks like a duck, and talks like a duck, it must be a duck. When you put \$700 billion of new taxes into a budget, you are talking about raising taxes dramatically, you are talking about increasing taxes on

working Americans dramatically, and that is what this budget does.

In the pay-go area, this budget is also totally inconsistent. It says we are for pay-go. In fact, pay-go has become a solemn oath of the other side of the aisle. I read a New York Times editorial the other day that says pay-go is wonderful. Somebody tell the New York Times that the Democratic leadership, under this budget, has exempted most of their favorite programs from pay-go. They have pay-go for programs that maybe the Republican side of the aisle would support, such as not allowing taxes to increase—yes, they apply pay-go to that issue. But when they have their programs they think are important, they don't apply pay-go to it. In fact, they specifically exempt it. For example, the agriculture language is exempted from pay-go. It looks as if SCHIP may be exempted from pay-go. The Baucus tax proposal which came to the floor was exempted from pay-go. The AMT amount in this bill is exempted from pay-go. The simple fact is, pay-go has become Swiss cheese-go under this bill. There is no relevance at all because it is an arbitrary effort to keep one side from doing what they philosophically agree with while the other side ignores it or basically overrules it for what they like to do.

The argument is that they haven't increased spending that much. Well, \$144 billion in nondefense discretionary spending is a lot of money when you put it on top of the base. That is a big number. At least in New Hampshire it is a big number. I mean, \$144 billion would run the State of New Hampshire for probably 20 years. Yet they claim it is not a big number.

Then there is no talk again of the inconsistency in this, there is no talk about the fact that there are over 27 reserve funds representing a \$200 billion cost in new programs should they be instituted. That is a growth of the Government—which, I am sure, not all of those will be instituted, but the game plan is there to institute them—\$200 billion of potential expansion in the size of the Government.

They take the position that they have added other programs by using the 920 account. There was an interesting debate yesterday where the chairman of the committee said to the Senator from Minnesota: We can't use 920 to address the extension of renewable tax credits relative to wind energy and issues such as that because that would cut veterans and it would cut health care and education. But he failed to mention to the Senator from Minnesota that there was already about \$38 billion of the 920 account in here. Mr. President, 920 is a euphemism for, well, we really don't know how we are going to pay for this, so we are going to use the 920 account, and that is allegedly a cut across the board. So there is another \$40 billion of spending in this bill that probably, in the end, is going to occur and not get paid for.

There are huge expenditures, huge expansion in the size of the Government, tremendous growth in the size of the Government in this bill.

Then we have entitlement accounts. The chairman of the committee continues to allege he has \$15 billion in entitlement savings in this bill. That is an impossible statement to make unless you are only willing to look at one part of the bill because in the other section of the bill, they spend \$50 billion in new entitlement programs. So you can't claim you are saving money when you are expanding entitlement programs and not net the two out. It is totally inconsistent.

This bill expands entitlement spending. It does not restrict entitlement growth. Ironically, it does it in a way that makes those programs probably not subject to pay-go when they are expanded.

This is the biggest failure of this bill. The spending is pretty bad and the taxes have improved a little, but basically this is the biggest failure of this bill, the failure to address what the chairman has talked about—I agree with his discussions, I agree with his hearings—has talked about the most severe problem we face as a nation; that is, the fact that when this baby boom generation retires, this Government becomes unaffordable for our children. The cost of three major entitlement programs—Social Security, Medicare, and Medicaid—will actually exceed the total Federal Government cost as a percentage of gross national product by 2025, and we will have nothing available to do anything else or, alternatively, will have to tax our children into oblivion so they cannot enjoy a quality lifestyle. Yet this bill does nothing on that.

We offered a reasonable amendment on this subject. We suggested that people earning more than \$80,000 as individuals and \$160,000 jointly should not be subsidized in their drug benefit by people working in restaurants across this country or working at gas stations or working on assembly lines, and it was rejected by the other side of the aisle.

We suggested that hospitals and provider groups that are getting an inflated payment under the COLA by about 1.2 percent should have that inflated COLA payment reduced by about half. They will still be getting an extra half a percent, six-tenths of a percent in benefits, and that was rejected.

If either of those had been accepted, we would have moved toward some semblance of getting under control this outyear instability in our Medicare fund. Those two amendments would have done more to make Medicare solvent than anything else we could do around here and thus make it available to seniors when they retire and have our children able to afford it. But that was rejected. There was no action at all in that area.

The tax issue—have to come back to this issue. The idea that there is not a

tax increase in this bill is so patently absurd on its face that the first amendment out of the box offered by the Democratic leadership was to extend the tax cuts for certain tax cuts they felt they didn't want to have go up, and the reverse of that, of course, is they are willing to let the other tax cuts go up. That is obvious. That is just A follows B or 1 and 1 makes 2. So there is no question they are taxing.

This idea that there is a comparison between the President's numbers and their numbers in tax increases, again is a total inconsistency. They use OMB to score the President's numbers and they use CBO to score their numbers. But if we score it apples to apples and oranges to oranges, we see the difference is significant. This was calculated before the Baucus amendment was adjusted, so these would be adjusted down somewhat, but the differences are still significant, somewhere in the range of \$250 billion of difference if we compare apples to apples and oranges to oranges.

When we peel everything away from this bill—I understand we are going to start voting at 9:30—all these inconsistencies, the fact that they don't use pay-go for programs they like but they do apply to positions which the Republicans might take, the fact that the tax increase in this budget is the largest in history and yet they claim there is no tax increase, the fact that the spending goes up dramatically and they claim spending doesn't go up, the fact that there is virtually—there are no savings in entitlements on a net basis and there is actually significant aggravation of the cost of entitlements for our children in this bill as a result of new programs which they anticipate, this bill is going to do significant damage to our economy, and it is going to grow the Government and make us larger.

It comes down to a very simple fact, really, when we take everything away: This bill essentially is a classic Democratic tax-and-spend bill. That is all it is. Bigger taxes, bigger spending, bigger debt, larger Government, and as a practical matter, it is not going to be a constructive event for us as a nation. So I hope my colleagues, when we get to final passage, will vote against it. We are going to have a lot of votes here, but in the end, what is going to pass, if this bill passes, is your classic tax-and-spend bill.

Mr. President, I believe we are supposed to start voting at this time.

Mr. CONRAD. Mr. President, might I say the Senator now has hurt my feelings. Would the Senator's staff put up the caveman chart? That now has hurt my feelings. I don't know how I am going to be able to get through the day after the caveman chart. I don't think that is even a good likeness of the Senator from North Dakota.

Mr. GREGG. I think this is actually the likeness of somebody from Nevada.

Mr. CONRAD. OK.

Mr. President, I think we now need to establish the order of the votes, or

at least the first several votes, and for that purpose, I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 622

Mr. GREGG. Mr. President, I send an amendment to the desk, and I ask that it be reported.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 622.

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

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

The amendment is as follows:

(Purpose: Point of order against using reconciliation to create new mandatory programs and 20% limitation on spending reconciliation)

SEC. . POINT OF ORDER—20% LIMIT ON NEW DIRECT SPENDING IN RECONCILIATION LEGISLATION.

(a)(1) In the Senate, it shall not be in order to consider any reconciliation bill, joint resolution, motion, amendment, or any conference report on, or an amendment between the Houses in relation to, a reconciliation bill pursuant to section 310 of the Congressional Budget Act of 1974, that produces an increase in outlays, if—

(A) the effect of all the provisions in the jurisdiction of any committee is to create gross new direct spending that exceeds 20% of the total savings instruction to the committee; or

(B) the effect of the adoption of an amendment would result in gross new direct spending that exceeds 20% of the total savings instruction to the committee.

(2)(A) A point of order under paragraph (1) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(B) Paragraph (1) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (1).

(C) If a point of order is sustained under paragraph (1) against a conference report in the Senate, the report shall be disposed of as provided in section 313(d) of the Congressional Budget Act of 1974.

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment be accepted.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CONRAD. Mr. President, I will not object. This, frankly, is a complicated amendment. I am not sure I fully understand all the implications or

ramifications of it, but the basic notion that we try to make certain that reconciliation is used for deficit reduction is one I embrace and, in fact, one that is in the budget resolution before us.

We have a requirement in this budget resolution that reconciliation only be used for deficit reduction. The amendment of the Senator from New Hampshire is an attempt to send that signal even more clearly, if I understand it correctly, and the Senator can correct me if I misinterpret it. That is my interpretation, and on that basis I would accept the amendment.

Mr. GREGG. Mr. President, I say to the Senator from North Dakota the purpose of this amendment is to make it absolutely clear we do not make reconciliation a stalking-horse to spend money. You have to use it to reduce the deficit.

Mr. CONRAD. Maybe we should explain what the term means. Reconciliation is a special process here in the Senate that gets around the regular order. It creates a superhighway to pass something. Reconciliation was designed and implemented to permit a fast-track basis for reducing deficits. Unfortunately, it can be abused and it has been abused in the past and used to actually increase deficits. That was never the intention.

We have prevented that from occurring in the budget resolution. So this is an attempt to prevent something that would have minimal deficit reduction from being used as a stalking-horse for a significant expansion of spending.

On that basis, I accept the amendment.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is adopted.

The amendment (No. 622) was agreed to.

Mr. CONRAD. Mr. President, the Senator from Arkansas has an amendment, but do we have an order that indicates on every amendment that there be 2 minutes evenly divided and that there be no second degrees?

The ACTING PRESIDENT pro tempore. The order provides that once voting begins, there is 2 minutes between each amendment.

Mr. CONRAD. And do we have an agreement that there be no second degrees, but that we would reserve the right, based on the managers' decision, to have side-by-sides in any case where that is required? Do we have that as an order?

The ACTING PRESIDENT pro tempore. The order is not for second degrees.

Mr. CONRAD. Mr. President, I ask unanimous consent that both those provisions be in order, that we have 2 minutes of debate equally divided on a vote, that there be no second degrees, that at the discretion of the managers there be the opportunity for side-by-sides, and that we order rollcall votes at this juncture on all those votes that are presented.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and, it is so ordered.

The Senator from Arkansas is recognized.

AMENDMENT NO. 601

Mr. PRYOR. Mr. President, I believe I am limited to 1 minute; is that correct?

The ACTING PRESIDENT pro tempore. Is the Senator offering an amendment?

Mr. PRYOR. Yes, I offer amendment No. 601.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR], for himself, and Mr. NELSON of Florida, proposes an amendment numbered 601.

The amendment is as follows:

(Purpose: To establish a reserve fund to provide additional training for physicians and attract more physicians in States that face a shortage of physicians in training)

At the end of title III, insert the following:

SEC. ____ . RESERVE FUND TO PROVIDE ADDITIONAL TRAINING FOR PHYSICIANS AND ATTRACT MORE PHYSICIANS IN STATES THAT FACE A SHORTAGE OF PHYSICIANS IN TRAINING.

The Chairman of the Senate Budget Committee may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides additional training for physicians and attracts more physicians in States that face a shortage of physicians in training, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 1 minute.

Mr. PRYOR. Mr. President, I rise today to offer amendment No. 601, and I encourage my colleagues to look at it and vote for it.

The statistics are that by the year 2020 this country will be tens of thousands—tens of thousands—short on doctors providing the medical care we need around this country. What this amendment does is it creates a reserve fund that would provide additional training for physicians and help to attract more physicians in States that face a shortage of physicians for training. It does not impose a prescriptive solution but creates a deficit-neutral reserve fund the Finance Committee can use to find the best way to help ensure citizens and States will have the number of physicians they need over the long term.

I thank Senator BILL NELSON for co-sponsoring the amendment, and also the majority leader and the chairman of the Finance Committee for supporting this amendment. This goes back to the mid 1990s, where there were some caps imposed. This doesn't change that, but it allows the Finance Committee the room during this budget cycle to try to help resolve that.

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

Who requests time?

The Senator from New Hampshire.

Mr. GREGG. Mr. President, I suggest we do this amendment on a voice vote, and I ask unanimous consent that be the case.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The question is on agreeing to amendment No. 601.

The amendment (No. 601) was agreed to.

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

AMENDMENT NO. 581

Mr. BROWNBACK. Mr. President, I have an amendment to the bill that creates a BRAC-type process for the rest of Government. I think this is one where we have a lot of priorities that people are interested in, yet nobody is for wasteful spending. So here is a process where we can actually reduce Federal spending in low-performing areas and be able to get the resources to spend in places we want to. It would be a BRAC-type system, which we are familiar with, and it would apply it to the rest of Government.

The commission of reports gives us one vote, up or down, without amendment, limited timeframe. This is a way we can responsibly, both parties, look at ways we can fund priorities in the future without raising taxes, and I hope that is what we are all about.

We are familiar with how that BRAC process works. A lot of people aren't particularly happy when the report comes out, but it has worked and eliminated some \$50 billion worth of lower priority military base spending. I don't know anybody who runs for Federal office or public office anywhere who is for wasteful Government spending. Here is a way of getting at it. Because the system is built to spend, this would actually change that system to give us a process that can be fair to both sides of the aisle, and ongoing in its effort to be able to get this allocation on a more appropriate basis.

Mr. President, I urge my colleagues on both sides to vote for the amendment, and I call up amendment No. 581 and ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK] proposes an amendment numbered 581.

The amendment is as follows:

(Purpose: To provide funds for a Commission on Budgetary Accountability and Review of Federal Agencies)

On page 24, line 12, increase the amount by \$3,000,000.

On page 24, line 13, increase the amount by \$3,000,000.

On page 24, line 16, increase the amount by \$6,000,000.

On page 24, line 17, increase the amount by \$6,000,000.

On page 24, line 20, increase the amount by \$8,000,000.

On page 24, line 21, increase the amount by \$8,000,000.

On page 24, line 24, increase the amount by \$8,000,000.

On page 24, line 25, increase the amount by \$8,000,000.

On page 25, line 3, increase the amount by \$4,000,000.

On page 25, line 4, increase the amount by \$4,000,000.

On page 26, line 12, decrease the amount by \$3,000,000.

On page 26, line 13, decrease the amount by \$2,000,000.

On page 26, line 16, decrease the amount by \$6,000,000.

On page 26, line 17, decrease the amount by \$6,000,000.

On page 26, line 20, decrease the amount by \$8,000,000.

On page 26, line 21, decrease the amount by \$8,000,000.

On page 26, line 24, decrease the amount by \$8,000,000.

On page 26, line 25, decrease the amount by \$8,000,000.

On page 27, line 3, decrease the amount by \$4,000,000.

On page 27, line 4, decrease the amount by \$4,000,000.

Mr. CONRAD. Mr. President, might I inquire of the Senator whether he will accept a voice vote?

Mr. BROWNBACK. Yes.

Mr. CONRAD. Mr. President, I urge my colleagues to vote aye on the Brownback amendment.

The ACTING PRESIDENT pro tempore. The question is on amendment No. 581.

The amendment (No. 581) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 623

Mr. CONRAD. Mr. President, I send an amendment to the desk for immediate consideration. This is a technical amendment, agreed to by both sides.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 623.

The amendment is as follows:

(Purpose: To clarify the treatment of certain provisions in conference reports)

On page 36, line 15, strike beginning with "If" through line 19 and insert "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 section, 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."

On page 39, line 19, strike beginning with "If" through line 23 and insert "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 section, 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."

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this is to safeguard minority rights on a conference report. It was suggested by Senator GREGG and his staff. It is very well taken. It should be adopted.

Mr. GREGG. I ask unanimous consent the amendment be adopted.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The amendment (No. 623) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 513

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, may I inquire, is amendment No. 513 next?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. DEMINT. I have a minute to speak?

The ACTING PRESIDENT pro tempore. Is the Senator offering the amendment?

Mr. DEMINT. Yes.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows: The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 513.

The amendment is as follows:

(Purpose: To provide for true deficit reduction in appropriations bills)

At the end of title III, insert the following:

SEC. ____ DEFICIT REDUCTION PROTECTION POINT OF ORDER.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any appropriations bill that does not include the following provision:

"SEC. ____ For deposit of an additional amount into the account established under section 3113(d) of title 31, United States Code, to reduce the public debt \$ ____."

(b) ENFORCEMENT.—For purposes of enforcing allocations pursuant to section 302(b) of the Congressional Budget Act of 1974, any amendment that transfers budget authority

(and the outlays flowing therefrom) into the debt reduction account provided by subsection (a) shall be scored so that the budget authority continues to count towards the section 302(b) allocation (with the outlays scored at the same level as scored in the original account).

(c) WAIVER AND APPEAL.—In the Senate, subsection (a) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. 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 subsection (a).

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, this amendment is called the Debt Reduction Appropriation Account. Currently, while all of us, on both sides, are talking about the need to cut wasteful spending and try to trim the size of Government, our appropriations process does not allow for cutting spending and using it for debt reduction. This amendment establishes a debt reduction account for every appropriations bill so if during the debate of that appropriations bill we cut something in it, it will not be put back in the pot to be spent on something else. This account will be used for debt reduction, so if all of us have a debate about an item that should not be in a bill, it will go to debt reduction. It is a very simple debt reduction account for every appropriations bill.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Might I inquire from the Senator how this works? Perhaps this is something we could accept, but I need to understand how it works. Could the Senator tell me, as I looked at the amendment, on the bottom of the first page there is a blank, at least in the copy I have. It says, "For deposit of an additional amount into the account established under section 3113(d) of title 31, United States Code, to reduce the public debt"—and then there is a blank. Is that filled in on the amendment of the Senator?

Mr. DEMINT. No, it is not. There is no dollar amount although there is a dollar sign here. I will have to inquire how that ended up there, but this is not a requirement to put anything in the account. This is an account, a designated account. If an amount of money is actually cut from an appropriations bill, then it will reduce the 302(b) amount. That amount will effectively be in that account which goes to debt reduction.

Mr. CONRAD. I see.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I am constrained to resist this amendment because, as I understand it, what it does is, if the Appropriations Committee would cut in a certain area they would then be prevented from using that money in some other perhaps higher priority area. If there were sav-

ings in one area of the budget and Homeland Security needed additional funding, they would not be able to transfer the money.

On that basis I urge my colleagues to vote no.

Mr. DEMINT. Will the Senator yield for a clarification? His explanation, I am afraid, is not the amendment. We can still do what we normally do here, which is take money from one account and put it in another. But if a Senator wishes to reduce the amount of spending in a given area and does not designate it, there is an opportunity for it to go into a debt reduction account. So if we want to take money from any account and shift it to military or Defense, there is no prohibition in this amendment, so we do not change what we are able to do now. What we are not able to do now is, if we cut something and want that money to go to debt reduction—this amendment would simply allow, in the future, for us to designate it to an account rather than to additional spending.

Mr. CONRAD. Mr. President, that is not my reading of how this amendment would function. I wish I had more time to analyze it. This is the first time I have seen it so I am in a very awkward position here. That is my reading of the amendment, so I have no alternative but to ask my colleagues to oppose it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. DEMINT. Mr. President, I ask for the yeas and nays.

Mr. CONRAD. The yeas and nays have already been ordered. I ask the yeas and nays be ordered on all these amendments so we don't have to go through that every time.

The ACTING PRESIDENT pro tempore. It is not appropriate to order the yeas and nays by unanimous consent.

Is there a sufficient second on the yeas and nays on the DeMint amendment?

There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—38

Allard	DeMint	Inhofe
Bayh	Dole	Isakson
Brownback	Ensign	Kyl
Bunning	Enzi	Landrieu
Burr	Feingold	Lott
Chambliss	Graham	Lugar
Coburn	Grassley	Martinez
Corker	Gregg	McCain
Cornyn	Hagel	McCaskill
Craig	Hatch	McConnell
Crapo	Hutchison	

Sessions Thomas Vitter
Sununu Thune Voinovich

NAYS—61

Akaka	Dorgan	Pryor
Alexander	Durbin	Reed
Baucus	Feinstein	Reid
Bennett	Harkin	Roberts
Biden	Inouye	Rockefeller
Bingaman	Kennedy	Salazar
Bond	Kerry	Sanders
Boxer	Klobuchar	Schumer
Brown	Kohl	Shelby
Byrd	Lautenberg	Smith
Cantwell	Leahy	Snowe
Cardin	Levin	Specter
Carper	Lieberman	Stabenow
Casey	Lincoln	Stevens
Clinton	Menendez	Tester
Cochran	Mikulski	Warner
Coleman	Murkowski	Webb
Collins	Murray	Whitehouse
Conrad	Nelson (FL)	Wyden
Dodd	Nelson (NE)	
Domenici	Obama	

NOT VOTING—1

Johnson

The amendment (No. 513) was rejected.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent that succeeding votes be 10-minute votes.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, Senator GREGG and I have now visited about the number of outstanding amendments. There are over 60 outstanding amendments. We can do three an hour. That means, unless some of our colleagues relent, we are going to be voting for 20 hours. That is the simple math.

I ask my colleagues on both sides, please, if you can withhold on your amendment and wait for another vehicle, we urge you to do that. We simply cannot spend the next 20 hours voting.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I agree with the Senator from North Dakota. I would note, in our batting order, we have Senator BUNNING on Social Security, Senator DOLE on IRAs for soldiers, Senator ALLARD on mandatory spending, Senator SMITH on SCHIP, Senator THOMAS has one on extraneous items in the supplemental.

Then we will have, potentially, Senator GRASSLEY and—Senator SESSIONS on AMT first. Then Senator HATCH is going to get in here. We are going to get Senator HATCH taken care of. That is the lineup on our side so people have some type of idea.

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

AMENDMENT NO. 621

Mr. BUNNING. Mr. President, I ask unanimous consent that the pending amendment be set aside and that amendment No. 621 at the desk be called up for immediate consideration. I have sent a copy of the amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. BUNNING] proposes an amendment numbered 621.

The amendment is as follows:

(Purpose: To provide for a deficit-neutral reserve fund for a repeal of the 1993 increase in the income tax on Social Security Benefits)

At the end of title III, add the following:

SEC. . DEFICIT-NEUTRAL RESERVE FUND FOR REPEAL OF THE 1993 INCREASE IN THE INCOME TAX ON SOCIAL SECURITY BENEFITS.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution by the amounts provided by a bill, joint resolution, amendment, motion, or conference report that would repeal the 1993 increase in the income tax on Social Security benefits, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

Mr. BUNNING. Mr. President, my amendment would repeal an unfair tax that affects 15 million seniors. I have brought this issue before the Chamber before, so it should be familiar to many of my colleagues.

When the Social Security Program was created, benefits were not taxed. In 1983, Congress decided that 50 percent of the benefits to seniors should be subject to tax. In 1993, we raised the amount to 85 percent of Social Security benefits. This tax affects supposedly wealthy seniors with incomes of \$34,000 for single seniors and \$44,000 for a couple.

My amendment is fairly simple. It creates a deficit-neutral reserve fund to allow Congress to drop the tax back to its pre-1993 levels. This means that 85 percent of the tax would be eliminated.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, the Senator from Kentucky has done us all a favor by the way he has modified his amendment. It is an amendment we can accept. I ask if the Senator could accept a voice vote.

Mr. BUNNING. Absolutely.

Mr. GREGG. Mr. President, in my statement earlier, I failed to mention we have an agreement that Senator KYL's vote will come before 11 o'clock.

Mr. CONRAD. Correct. We will need to insert that.

I ask unanimous consent that we accept the Bunning amendment.

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

The amendment (No. 621) was agreed to.

Mr. CONRAD. We would like to proceed to Senator DOLE for the purpose of offering her amendment.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized for 1 minute.

AMENDMENT NO. 553

Mrs. DOLE. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from North Carolina [Mrs. DOLE] proposes an amendment numbered 553.

Mrs. DOLE. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To extend financial relief for our reservists and national guard deployed in Afghanistan and Iraq by allowing them to make penalty free withdrawals of their retirement funds through the year 2012)

On page 3, line 14, decrease the amount by \$1,000,000.

On page 3, line 15, decrease the amount by \$1,000,000.

On page 3, line 23, decrease the amount by \$1,000,000.

On page 4, line 1, decrease the amount by \$1,000,000.

On page 5, line 2, increase the amount by \$1,000,000.

On page 5, line 3, increase the amount by \$1,000,000.

On page 5, line 10, increase the amount by \$1,000,000.

On page 5, line 11, increase the amount by \$2,000,000.

On page 5, line 18, increase the amount by \$1,000,000.

On page 5, line 19, increase the amount by \$2,000,000.

Mrs. DOLE. The amendment I offer today is critical to our National Guard and reservists serving in Iraq, Afghanistan, and elsewhere. It fixes a problem in the Pension Protection Act of 2006. Section 827 of that act allows National Guardsmen and reservists called into active duty for at least 6 months to make penalty-free early withdrawals from their IRA, 401(k), or 403(b) retirement accounts. This provision expires at the end of 2007. My amendment, which is fully offset, corrects this by extending this important provision through 2012.

Our National Guardsmen and reservists always stand ready to put their lives on hold and answer the call of duty. They are putting themselves into harm's way to protect our freedoms and security. They can face lengthy deployments that cause major financial strains for their families. These outstanding men and women should continue to have penalty-free access to their retirement savings if they find themselves in a deployment-related financial crunch.

I urge passage of the amendment.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we are prepared to accept the amendment of the Senator from North Carolina. We urge our colleagues to accept it.

I ask unanimous consent to agree to the amendment offered by Senator DOLE.

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

The amendment (No. 553) was agreed to.

Mr. CONRAD. Mr. President, next up is Senator FEINSTEIN. She has an amendment.

The ACTING PRESIDENT pro tempore. The Senator from California.

AMENDMENT NO. 574

Mrs. FEINSTEIN. Mr. President, I thank the manager of the bill. I call up amendment No. 574.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. KYL, and Mrs. BOXER, proposes an amendment numbered 574.

Mrs. FEINSTEIN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide an additional \$543,000,000 for the State Criminal Alien Assistance Program)

On page 23, line 12, increase the amount by \$543,000,000.

On page 23, line 13, increase the amount by \$119,000,000.

On page 23, line 17, increase the amount by \$163,000,000.

On page 23, line 21, increase the amount by \$109,000,000.

On page 23, line 25, increase the amount by \$81,000,000.

On page 24, line 4, increase the amount by \$71,000,000.

On page 26, line 12, decrease the amount by \$543,000,000.

On page 26, line 13, decrease the amount by \$119,000,000.

On page 26, line 17, decrease the amount by \$163,000,000.

On page 26, line 21, decrease the amount by \$109,000,000.

On page 26, line 25, decrease the amount by \$81,000,000.

On page 27, line 4, decrease the amount by \$71,000,000.

At the end, insert the following:

SEC. ____ SENSE OF CONGRESS ON THE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) Control of illegal immigration is a Federal responsibility.

(2) The State Criminal Alien Assistance Program (referred to in this section as "SCAAP") carried out pursuant to section 241(i) of the Immigration and Nationality Act (8 U.S.C. 1231(i)) provides critical funding to States and localities for reimbursement of costs incurred as a result of housing undocumented criminal aliens.

(3) Congress appropriated \$300,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2004.

(4) Congress appropriated \$305,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2005.

(5) Congress appropriated \$405,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2006.

(6) Congress appropriated \$399,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2007.

(7) Congress has authorized to be appropriated \$950,000,000 to carry out SCAAP for each of the fiscal years 2008 through 2011.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the budgetary totals in this resolution assume that \$950,000,000 should be made available for SCAAP for fiscal year 2008.

Mrs. FEINSTEIN. I ask unanimous consent to add Senator BOXER as a cosponsor.

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

Mrs. FEINSTEIN. Mr. President, this amendment is cosponsored by Senator KYL.

SCAAP is a vital program to the States and localities to reimburse them for the costs associated with housing undocumented criminal aliens. Funding for SCAAP is authorized in the amount of \$950 million for each of the fiscal years 2008 through 2011, but we have never fully funded SCAAP.

Instead we have paid only pennies on the dollar for these costs. In my home State of California, there are currently over 20,000 criminal alien inmates. It costs California approximately \$715 million per year to house these aliens.

In 2007, Congress appropriated \$399 million for SCAAP. In this budget resolution, SCAAP is funded at \$407 million.

In 2005, a total of 758 applications from 50 different States and the U.S. territories were submitted for fiscal year 2005 SCAAP funds.

The real problem here is that the problem of illegal immigration is a Federal responsibility. Yet the Federal Government consistently shifts the costs for enforcing immigration laws onto our States. This cost-shifting is not fair to State governments.

My amendment makes SCAAP funding whole by providing an additional \$543 million to this program.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. I ask unanimous consent to adopt the Feinstein amendment.

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

The amendment (No. 574) was agreed to.

AMENDMENT NO. 473

Mr. CONRAD. Mr. President, next we have Senator SESSIONS to offer an amendment.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I call up amendment No. 473 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is the amendment at the desk?

Mr. SESSIONS. Yes.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for himself and Mr. DEMINT, proposes an amendment numbered 473.

The amendment is as follows:

(Purpose: To save families from the Alternative Minimum Tax (AMT) first by permitting a deduction for personal exemptions for purposes of computing the AMT)

On page 3, line 10, decrease the amount by \$6,494,000,000.

On page 3, line 11, increase the amount by \$2,594,000,000.

On page 3, line 12, increase the amount by \$9,100,000,000.

On page 3, line 13, decrease the amount by \$59,600,000,000.

On page 3, line 14, decrease the amount by \$51,000,000,000.

On page 3, line 15, decrease the amount by \$31,100,000,000.

On page 3, line 19, decrease the amount by \$6,494,000,000.

On page 3, line 20, increase the amount by \$2,594,000,000.

On page 3, line 21, increase the amount by \$9,100,000,000.

On page 3, line 22, decrease the amount by \$59,600,000,000.

On page 3, line 23, decrease the amount by \$51,000,000,000.

On page 4, line 1, decrease the amount by \$31,000,000,000.

On page 4, line 5, increase the amount by \$106,000,000.

On page 4, line 6, increase the amount by \$255,000,000.

On page 4, line 7, decrease the amount by \$12,000,000.

On page 4, line 8, increase the amount by \$1,174,000,000.

On page 4, line 9, increase the amount by \$3,822,000,000.

On page 4, line 10, increase the amount by \$5,934,000,000.

On page 4, line 14, increase the amount by \$106,000,000.

On page 4, line 15, increase the amount by \$255,000,000.

On page 4, line 16, decrease the amount by \$12,000,000.

On page 4, line 17, increase the amount by \$1,174,000,000.

On page 4, line 18, increase the amount by \$3,822,000,000.

On page 4, line 19, increase the amount by \$5,934,000,000.

On page 4, line 23, increase the amount by \$6,600,000,000.

On page 4, line 24, decrease the amount by \$2,339,000,000.

On page 4, line 25, decrease the amount by \$9,112,000,000.

On page 5, line 1, increase the amount by \$60,774,000,000.

On page 5, line 2, increase the amount by \$54,822,000,000.

On page 5, line 3, increase the amount by \$37,034,000,000.

On page 5, line 6, increase the amount by \$6,600,000,000.

On page 5, line 7, increase the amount by \$4,261,000,000.

On page 5, line 8, decrease the amount by \$4,852,000,000.

On page 5, line 9, increase the amount by \$55,923,000,000.

On page 5, line 10, increase the amount by \$110,745,000,000.

On page 5, line 11, increase the amount by \$147,779,000,000.

On page 5, line 14, increase the amount by \$6,600,000,000.

On page 5, line 15, increase the amount by \$4,261,000,000.

On page 5, line 16, decrease the amount by \$4,852,000,000.

On page 5, line 17, increase the amount by \$55,923,000,000.

On page 5, line 18, increase the amount by \$110,754,000,000.

On page 5, line 19, increase the amount by \$147,779,000,000.

On page 25, line 8, increase the amount by \$106,000,000.

On page 25, line 9, increase the amount by \$106,000,000.

On page 25, line 12, increase the amount by \$255,000,000.

On page 25, line 13, increase the amount by \$255,000,000.

On page 25, line 16, decrease the amount by \$12,000,000.
 On page 25, line 17, decrease the amount by \$12,000,000.
 On page 25, line 20, increase the amount by \$1,174,000,000.
 On page 25, line 21, increase the amount by \$1,174,000,000.
 On page 25, line 24, increase the amount by \$3,822,000,000.
 On page 25, line 25, increase the amount by \$3,822,000,000.
 On page 26, line 3, increase the amount by \$5,934,000,000.
 On page 26, line 4, increase the amount by \$5,934,000,000.

Mr. SESSIONS. Mr. President, this is an important amendment. It is not related to partisan votes that we have been casting, but it is a technical amendment that amends the nature of the AMT patch.

The AMT patch is a huge tax reduction. It does eliminate about three-fourths of the people who would pay taxes under the AMT. My amendment is fairer. It would include 87 percent as many, but the way it would fix the AMT and give relief would be to allow families to utilize their personal exemptions and their children's exemptions under the AMT accounting. That is not done today. As a result, seven times as many families with children are caught by AMT as are single persons. It is definitely striking at children and families. I urge that this be adopted because it is fairer, and it would reduce costs and save \$82 billion.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized for 1 minute.

Mr. CONRAD. Mr. President, the Sessions amendment would increase taxes in fiscal year 2008 by \$2.6 billion. It would increase taxes in fiscal year 2009, for a total in those 2 years of \$11.7 billion of tax increases. In later years, the Sessions amendment would provide additional revenue loss of \$148 billion over 5 years. That busts the budget and takes us back into deficit. It is sort of the worst of all worlds. It increases taxes in the front end and then blows a hole in the budget.

I urge colleagues to vote against the Sessions amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to amendment No. 473.

Mr. CONRAD. I ask for the yeas and nays on the Sessions amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—46

Alexander	Bennett	Brownback
Allard	Bond	Bunning

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

NAYS—53

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

NOT VOTING—1

Johnson

The amendment (No. 473) was rejected.

The ACTING PRESIDENT pro tempore. Who requests time?

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, next is the Nelson amendment. I say to colleagues, on the Nelson amendment and the succeeding Kyl amendment, there will be 6 minutes evenly divided.

Mr. President, I ask Senator GREGG to remind Senators of whom we have left in terms of what is the rest of the order.

Mr. GREGG. Unfortunately, it is not whom we have left, but it is what the order is. I wish it was what we had left. Anyway, we go to Senator NELSON and Senator KYL, which are under a prior agreement to have both those votes before 11 o'clock; then Senator HATCH, Senator ALLARD, Senator SMITH, Senator THOMAS, Senator SPECTER, and Senator GRAHAM on our side. We are picking up other people as they come along and ask for time. That is the order now. All those will require votes potentially.

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

AMENDMENT NO. 626

Mr. NELSON of Nebraska. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. NELSON of Nebraska], for himself, Mrs. LINCOLN, Mr. BAUCUS, Ms. LANDRIEU, Ms. STABENOW, Mr. SALAZAR, Mr. NELSON of Florida, and Mr. PRYOR, proposes an amendment numbered 626.

The amendment is as follows:

(Purpose: To reform the estate tax to avoid subjecting thousands of families, family businesses, and family farms and ranches to the estate tax, and to promote continued economic growth and job creation)

At the end of title III, insert the following:

SEC. ____ ESTATE TAX REFORM INITIATIVE.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that would provide for estate tax reform legislation that addresses the current flaws in the estate tax law by establishing an estate tax exemption level of \$5,000,000, an estate tax rate of 35 percent, and a 5 percent surcharge on the largest estates, provided that such legislation does not increase the deficit over the total of fiscal years 2007 through 2012.

Mr. NELSON of Nebraska. President, this amendment provides a fiscally sound alternative for estate tax reform. It represents a fiscally sound approach to protecting family farms, ranches, and small businesses from the onerous estate tax. It is cosponsored by Senators LINCOLN, BAUCUS, LANDRIEU, STABENOW, SALAZAR, BILL NELSON, and MARK PRYOR.

The amendment provides for an estate tax reform initiative; the necessary next step to improving the estate tax component of the Baucus amendment adopted by an overwhelming margin of 97 to 1. This amendment gets us to a \$5 million exemption and a 35 percent rate.

I hope the day will come when we can fully repeal the estate tax forever, but unfortunately today is not that day. Unfortunately, the fiscal realities we face do not at this time allow for a permanent solution. That is why we must adopt this amendment to provide peace of mind for thousands of families who are planning to pass their business, farm, or ranch on to the next generation.

Like the Kyl amendment, our amendment will allow us to accommodate the Landrieu proposal of a \$5 million and 35 percent with a surcharge for the largest estates. Unlike the, Kyl amendment, this amendment is fiscally responsible and deficit neutral.

I look forward to working with the cosponsors of this amendment and my colleagues on both sides of the aisle to enact meaningful estate tax reform this session, and eventually finding a permanent solution.

I urge my colleagues to support this amendment, and join me in following through on the promise made in this amendment to extend estate tax relief with an exemption of \$5 million and a top rate of 35 percent.

Mr. President, I yield the floor to Senator LINCOLN from Arkansas.

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

Mrs. LINCOLN. Mr. President, I thank my colleague, Senator NELSON, as well as Chairman BAUCUS and Ranking Member GRASSLEY, who have helped us in the direction of moving forward to something that is realistic in terms of estate tax reform. We will

have the opportunity in the Finance Committee to be able to craft something that makes sense. But without what Senator NELSON and I and others are doing here, we will not have the direction to do that.

Many of us know we have outlived the boundaries of the current estate tax law. We know in 2010 it may go away, but the fact is in 2011 it comes back at an old and arcane number.

What we do is take what Senator BAUCUS has already done in the first amendment we voted on and adopted, and we increase it to a realistic and balanced level of a \$5 million exemption and a 35-percent rate, and we do it with a reserve fund that will allow us to make sure we pay for it in a fiscally sound way when it comes through the Finance Committee.

I have worked diligently on this issue since I have come to the Senate, recognizing that for our small businesses, our family businesses, and our family farms this is an essential component for them to be able to be aware of how they can plan for their finances to keep those family businesses in working order.

So we appreciate it. I urge our colleagues, this is a great opportunity to have the Senate on record as moving forward on this issue. I encourage all of my colleagues to take a look at it and support us because it gives us an opportunity to get moving on this issue.

Mr. President, I yield to my colleague, the Senator from Louisiana, Ms. LANDRIEU.

Ms. LANDRIEU. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has 10 seconds.

Ms. LANDRIEU. Mr. President, I ask unanimous consent for 30 seconds, please, and to have the same amount of time added to the other side.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, this is the right compromise on the estate tax at the right time. It is going to bring order to this tax that should be paid. It is about what Kent Conrad has done, by generating a budget that generates surpluses, enabling us to give tax relief, so we can give tax relief to small businesses and farms and people who have built their businesses. That is what this amendment does: a \$5 million exemption, a 35-percent rate, and we will continue to take it down as the money comes forward to do so.

The ACTING PRESIDENT pro tempore. Who yields time in opposition?

The Senator from Arizona.

Mr. KYL. Mr. President, I am glad we are having the debate about the death tax. I regret the amendment I proposed a couple days ago was voted down. There were some suggestions it was because of the capital gains and dividends provisions that were tied to it. So I

brought an amendment back with Senator THUNE that would eliminate the capital gains and dividends part of it and simply have us vote, along with one education tax credit, for real reformation to the death tax.

Now, I want my colleagues on the Democratic side to appreciate—and I have certainly appreciated working with all three of them.

Mr. BUNNING. Can we have order, please.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is correct. Please take conversations out of the Chamber.

Mr. KYL. Thank you, Mr. President. I prefer not to be raising my voice, but I cannot hear myself.

Let's understand what voting for the Democrat "cover" amendment would do. First of all, when we had a \$5 million exemption we were talking about last year, all of the groups came to us and said: You have to index it for inflation or pretty soon it will not mean anything. The Kyl-Thune amendment is indexed for inflation, the \$5 million exempted amount. The amendment that is being proposed on the Democratic side is not indexed for inflation, and you will hear from groups such as the Farm Bureau and the NFIB and other groups that understand it has to be indexed for inflation.

Secondly, you say the rate is 35 percent, but there is a surcharge for "large" estates. How are they defined? They are not defined. A majority of Americans, according to surveys, say rates above 35 percent are confiscatory. So the 40-percent top rate in this Democratic proposal is going to be a big problem for a lot of Americans, both those who have to pay and those who do not have to pay.

Finally, with respect to the idea this is paid for, appreciate the big expenses for estate tax are after the year 2011. So it is folly to say this is paid for. Yes, you will have raised taxes by about \$60 billion to "pay" for this for the 5 years covered by the budget, but the reality is, it is not going to be paid for in the future.

Do you know what. All of us—the Senator from Arkansas, the Senator from Nebraska, the Senator from Louisiana, and other Senators on the Democratic side—have in the past appreciated the fact that when it comes to death tax reform, we should not raise taxes on some taxpayers to provide this relief for the people who have to pay the death tax.

The reality is, we should not have to raise money from one group of taxpayers to pay for the relief granted to this group. The reality is probably it is going to be the same group of folks.

So I say to my friends who would want to suggest this is a "cover" amendment, that they can be just fine on this issue of death tax if they will vote for the proposal that is before us right now. That is not the case. If you want the real cover, that is to say the appreciation of the American people,

reserve your aye vote for the Kyl-Thune amendment which will come next.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to amendment No. 626.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 25, nays 74, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—25

Akaka	Klobuchar	Pryor
Baucus	Kohl	Salazar
Bayh	Landrieu	Snowe
Byrd	Leahy	Stabenow
Cardin	Lincoln	Tester
Casey	Lugar	Voinovich
Collins	Mikulski	Wyden
Feingold	Nelson (FL)	
Inouye	Nelson (NE)	

NAYS—74

Alexander	Dole	McCaskill
Allard	Domenici	McConnell
Bennett	Dorgan	Menendez
Biden	Durbin	Murkowski
Bingaman	Ensign	Murray
Bond	Enzi	Obama
Boxer	Feinstein	Reed
Brown	Graham	Reid
Brownback	Grassley	Roberts
Bunning	Gregg	Rockefeller
Burr	Hagel	Sanders
Cantwell	Harkin	Schumer
Carper	Hatch	Sessions
Chambliss	Hutchison	Shelby
Clinton	Inhofe	Smith
Coburn	Isakson	Specter
Cochran	Kennedy	Stevens
Coleman	Kerry	Sununu
Conrad	Kyl	Thomas
Corker	Lautenberg	Thune
Cornyn	Levin	Vitter
Craig	Lieberman	Warner
Crapo	Lott	Webb
DeMint	Martinez	Whitehouse
Dodd	McCain	

NOT VOTING—1

Johnson

The amendment (No. 626) was rejected.

AMENDMENT NO. 583

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized for 3 minutes.

Mr. KYL. Thank you, Mr. President. I appreciate my colleagues not supporting this proposition. There are two main—

The ACTING PRESIDENT pro tempore. Does the Senator have an amendment at the desk?

Mr. KYL. I am sorry, Mr. President. I thought my amendment was at the desk. It is pending.

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

Mr. KYL. There are two main differences between the amendment that was just rejected and the one which I hope we will all support. The first difference was that the \$5 million exempted amount for estates was not indexed

for inflation. In the Kyl-Thune amendment, it is indexed for inflation. I think if you will all check with your folks, you will find they want this indexed for inflation.

This is a little like AMT. At first it didn't hit very many people, but after awhile, it begins to hit a lot of people, primarily because of inflation. The same thing will occur here. The whole point of an exemption is so people would not have to worry about spending all the money on insurance and lawyers and accountants, and so on, to plan against the estate tax. That is why you want an exempted amount such as the \$5 million, but it is important it doesn't get eroded over time. Again, one of the key differences between the amendment that was just rejected and this amendment, which I hope you will support, is this amendment is indexed for inflation.

Secondly, most Americans believe that a 40- or 45- or 50-percent rate is confiscatory.

The other difference between the amendment that just failed and the one I hope you will now support is that the maximum rate under this is 35 percent. I still think that is too high.

The amendment just agreed to had a maximum rate of 40 percent. I think 35 percent is too high, if you look at the various polls that have been taken. In any event, that is the maximum rate under this amendment. It has been supported by a bipartisan group on both sides of the aisle, which is why we sit at 35 percent, because the reality is that in order to have the estate tax reform, we are going to need a bipartisan coalition.

My concluding remarks are to reach out to my friends on the other side of the aisle. My final plea is that we can demonstrate in a bipartisan way by supporting this amendment, which has enough flexibility in it because it is a budget amendment rather than a specific proposal, to accommodate nuances that Members on both sides of the aisle would like to see in estate tax reform.

The time for reform has come. Adopting this amendment will make that point in a general way. Then we can sit down and work together to try to work something out that we can get passed. I would appreciate our colleagues expressing support for death tax reform by voting aye on the Kyl amendment.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, there have been a number of statements about the previous amendments that are factually wrong. The previous amendment had a \$5 million exemption per person, plus a top effective rate of 35 percent. My colleagues on the other side have misread the previous amendment. It had a top effective rate of 35 percent. I wanted to state that for the RECORD.

The fundamental difference between the two is that the previous amend-

ment was paid for. This amendment, by Senator KYL, whom I respect, is not paid for. I would say to my colleagues, if this is a priority, why not pay for it? The hard reality is that if this amendment before us now is adopted—the Kyl amendment—it blows a hole in the budget, puts us back into deficit, after we have worked so hard all these hours to get a balanced budget by 2012. This proposal would put us back into deficit by over \$15 billion in 2012. It would add \$35 billion to the deficit.

I urge my colleagues to reject this amendment. In the previous Baucus amendment, we provided for all of the middle-class tax cuts and fundamental and significant estate tax reform. It was paid for. This amendment is not. It ought to be rejected.

Mr. KYL. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 15 seconds.

Mr. KYL. I would like to make sure my colleagues don't think I was misstating a fact. The top effective rate is 35 percent, but there is a 5-percent surcharge on the largest estates. Am I wrong in that?

Mr. CONRAD. The Senator is wrong. I know why the Senator is reading it to conclude that. My tax experts tell me that the way the interactive effect occurs, the top effective rate is never more than 35 percent. I know why the Senator is reaching that conclusion. I would be glad to have my tax counsel visit with him because they assure me that in the previous amendment, the top effective rate was 35 percent. I know the Senator agreed about the 5-percent surcharge. I think time has expired.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GREGG. Mr. President, I wish to make a point. I have talked to the chairman and this will be a 10-minute vote, not a 15-minute vote. From here on out, they will all be. Anybody who is not here, you are going to miss it.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 583.

Mr. KYL. Mr. President, I ask unanimous consent for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

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

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—48

Alexander	Chambliss	Craig
Allard	Coburn	Crapo
Bennett	Cochran	DeMint
Bond	Coleman	Dole
Brownback	Collins	Domenici
Bunning	Corker	Ensign
Burr	Cornyn	Enzi

Graham	Lott	Smith
Grassley	Lugar	Snowe
Gregg	Martinez	Specter
Hagel	McCain	Stevens
Hatch	McConnell	Sununu
Hutchison	Murkowski	Thomas
Inhofe	Roberts	Thune
Isakson	Sessions	Vitter
Kyl	Shelby	Warner

NAYS—51

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

NOT VOTING—1

Johnson

The amendment (No. 583) was rejected.

The PRESIDING OFFICER. Who seeks time? The Senator from North Dakota.

Mr. CONRAD. Mr. President, Senator GREGG has indicated repeatedly that the 10-minute votes are just not being abided by. The only way they can be abided by is, No. 1, if people stay in the Chamber or very close to the Chamber. We are not going to finish this resolution unless we change the way we are doing business. We still have dozens and dozens of amendments remaining. We are going to be here until 1 o'clock this morning unless we change the way we do business.

I have to ask the leadership if they will support going to 10-minute votes.

Mr. REID. With no 5 minutes. That is fine with me.

Mr. CONRAD. Does the leadership support that request?

Mr. MCCONNELL. We have been doing it.

Mr. CONRAD. No, we have gone over. Mr. REID. We have gone 15 minutes.

Mr. CONRAD. Will the leadership support us going to 10-minute votes?

Mr. MCCONNELL. I certainly think that is a good idea.

Mr. CONRAD. Then the word has to go out that we are going to 10-minute votes.

I have to try to make amends on a previous debate. Senator KYL indicated on the Nelson amendment that it appeared to be higher than a 35-percent rate. There was reason for him to believe that, looking at the amendment. I want to make clear that while we believe the Nelson amendment had a top effective rate of 35 percent, just looking at the amendment, one could easily conclude that is not the case. So I want to make that clear. In no way were we denigrating Senator KYL's honor with respect to accurately and honestly depicting that amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the chairman for his remarks. I appreciate

it. Certainly, I knew there was no attempt to suggest that I was misrepresenting. I try to read things very closely. This is one of the situations where apparently it could have been read both ways.

I appreciate the comments of the chairman.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, the clerks have a difficult time going through these votes in 10 minutes. They can do it, but it would be a lot easier if people will stay here and when their name is called answer "yea" or "nay." The way it is, they have to go back and forth so many times that it is like a jigsaw puzzle they have to work out every time.

The votes will be 10 minutes. There will be a 1-minute grace period. That is the way it is going to be. That is what everybody should acknowledge will happen. It is approaching noontime. We have a lot to do. We can condense this quickly, but people have to cooperate.

Mr. GREGG. Mr. President, for the information of Members on our side, the amendments, as they are presently lined up, are Senator HATCH, Senator ALLARD, Senator SMITH, Senator THOMAS, Senator SPECTER, Senator GRAHAM, Senator GRASSLEY, Senator LOTT, myself, Senator DEMINT, and Senator THUNE.

AMENDMENT NO. 508

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I call up amendment No. 508.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 508.

The amendment is as follows:

(Purpose: To establish a reserve fund for protecting coverage choices, additional benefits, and lower cost-sharing for Medicare beneficiaries)

At the appropriate place, insert the following:

SEC. ____ . RESERVE FUND FOR PROTECTING COVERAGE CHOICES, ADDITIONAL BENEFITS, AND LOWER COST-SHARING FOR MEDICARE BENEFICIARIES.

If the Senate Committee on Finance—

(1) reports a bill, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) implements improvements to the Medicare or Medicaid programs under titles XVIII and XIX of the Social Security Act, respectively, or the State Children's Health Insurance program under title XXI of such Act; and

(B) does not—

(i) lead to fewer coverage choices for Medicare beneficiaries, especially for those beneficiaries in rural areas; or

(ii) result in reduced benefits or increased cost-sharing for Medicare beneficiaries who choose a Medicare Advantage plan under part C of such title XVIII, especially for low-income beneficiaries who depend on their Medicare Advantage plan for protection from high out-of-pocket cost-sharing; and

(2) is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974,

the Chairman of the Senate Committee on the Budget may revise allocations of new

budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation provided that such legislation would not increase the deficit for fiscal year 2008, and for the period of fiscal years 2008 through 2012.

Mr. HATCH. Mr. President, I have offered amendment No. 508 to ensure that Congress continues to protect Medicare beneficiaries' coverage choices, especially for those living in rural areas and low-income Medicare beneficiaries.

My amendment establishes a budget-neutral reserve fund so that if Congress implements improvements to Medicare, Medicaid, or CHIP, it may not do so in a way that leads to fewer coverage choices for Medicare beneficiaries. It also may not reduce the benefits of those beneficiaries who are enrolled in Medicare Advantage plans.

Medicare Advantage plans provide a range of benefits not available in traditional Medicare such as vision and dental care, physical exams, and hearing aids.

Medicare Advantage plans also have chronic care management programs to help beneficiaries with chronic illnesses such as diabetes or congestive heart failure better manage their conditions and stay healthy.

I conclude by urging my colleagues to keep in mind the following:

Beneficiaries across the Nation—whether they live in a rural State such as Utah or urban area such as New York City—now have more coverage choices.

These choices offer beneficiaries more benefits and lower out of pocket costs.

Beneficiaries are satisfied.

Let's not forget that it was through policy decisions supported by Members on both sides of the aisle that helped achieve those results.

And those results, in my opinion, are worth protecting for beneficiaries' sake. I urge my colleagues to support my amendment.

I ask unanimous consent that letters from the NAACP and LULAC opposing cuts to the Medicare Advantage Program be printed in the RECORD.

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

WASHINGTON BUREAU, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,

Washington, DC, March 23, 2007.

Re NAACP support for the Medicare Advantage Program.

MEMBERS,

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the National Association for the Advancement of Colored People (NAACP), our nation's oldest, largest, and most widely recognized grassroots civil rights organization, I would like to express our deep concern about efforts to reduce funding for the Medicare Advantage (MA) program.

The NAACP has a long history of working to ensure that African Americans and other racial and ethnic minorities have access to high-quality, affordable health care. That is why we strongly support maintaining adequate funding for the Medicare Advantage

program that serves as a "critical link" for accessing health care services, particularly for low-income and minority Medicare beneficiaries.

MA plans—private health plan options that provide coverage to 8.3 million Medicare beneficiaries—disproportionately provide coverage to low-income and racial and ethnic minority beneficiaries. Specifically, 40 percent of African Americans without Medicaid or employer coverage rely on comprehensive health insurance coverage provided by MA plans. By providing more comprehensive benefits and lower cost-sharing than traditional Medicare, MA plans help racial and ethnic minority populations gain access to health care services that are critical to their long-term health and well-being.

Moreover, minorities also benefit from the care and disease management offered by MA plans. These programs help assure that members with chronic conditions such as heart disease, diabetes, and asthma receive high-quality care by encouraging timely and regular check-ups, access to preventive services, and chronic care management programs. Access to coordinated care and disease management services are especially critical to minorities who are more likely to suffer from common chronic health conditions, such as diabetes, asthma, respiratory disease, and certain forms of cancer.

Reduced funding for the MA program would have a negative impact on the health and health care of millions of Medicare beneficiaries—particularly for low-income and minority beneficiaries. A study by Emory University's Kenneth Thorpe, Ph.D., found that without MA, 2 million Medicare beneficiaries would lose all supplemental coverage. Racial and ethnic minorities would be especially hard hit, with the number of African-Americans without supplemental coverage rising to 59 percent.

As Congress continues to debate efforts to expand access to high-quality, affordable care, we urge you not to backtrack on these priorities by cutting funding for the MA program. This program is vitally important to the health and well-being of racial and ethnic minorities who rely on MA to provide them with the comprehensive, affordable, and coordinated care they need.

Thank you in advance for your attention to the NAACP position on this matter. Should you have any questions or comments, I hope that you will not hesitate to contact me.

Sincerely,

HILARY O. SHELTON,
Director.

LEAGUE OF UNITED
LATIN AMERICAN CITIZENS,
Washington, DC, March 14, 2007.

MEMBER OF CONGRESS,
U.S. Senate and House of Representatives,
Washington, DC.

DEAR MEMBER OF CONGRESS: I am writing on behalf of the League of United Latin American Citizens (LULAC)—the oldest and largest Hispanic membership organization in the United States—to urge your opposition to efforts by some Members of Congress to reduce funding for the Medicare Advantage (MA) program.

LULAC's mission is to advance the economic condition, educational attainment, health and civil rights of Hispanic Americans. Ensuring access to high quality, affordable health care is one of our top priorities, and one that is especially critical in the Hispanic community. We firmly believe Medicare Advantage is helping meet this challenge for Hispanic seniors.

Medicare Advantage is vital to the well-being of Hispanic Medicare beneficiaries. According to a 2005 study by Ken Thorpe, Ph.D.,

of Emory University, Hispanics rely disproportionately on the Medicare Advantage program. According to this study, more than half (53 percent) of Hispanic beneficiaries without Medicaid or employer-based coverage are enrolled in an MA plans where they are available.

MA plans are important because they provide enhanced benefits and lower cost-sharing than traditional Medicare. According to CMS, MA enrollees save \$86 per month when compared to beneficiaries in traditional Medicare. We are concerned that additional cuts in funding for Medicare Advantage will threaten access to comprehensive benefits, result in higher out-of-pocket health care costs, and create financial barriers to care that will be particularly harmful for Hispanic seniors.

The coordinated care and disease management offered under Medicare Advantage plans is especially critical for Hispanic Medicare beneficiaries, who are more likely to suffer from chronic conditions such as diabetes, asthma, and certain forms of cancer. These programs help assure that members with chronic conditions benefit from care management and coordination initiatives, which promote appropriate treatment and medication use, reduce the risk of adverse events, and optimize therapeutic outcomes.

LULAC calls upon your leadership to oppose these cuts and fund MA programs to sustainable levels.

Sincerely,

ROSA ROSALES,
LULAC National President.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, on April 11, the Finance Committee is going to be holding a hearing on Medicare Advantage plans and other providers' plans that affect Medicare. We want to do this right. We want to do this in a very thoughtful, considerate way.

There are Medicare Advantage plans that are doing a lot of good work. That is clear. Certainly, the Finance Committee, of which Senator HATCH is a member—and we have the April 11 hearing—is going to deal with this issue. I urge Members to do this the right way, and the right way is to figure out what to do generally with all Medicare providers, including managed care. Again, there are managed care companies that are very good and provide benefits for seniors. Dental has already been mentioned by the good Senator from Utah. The more thoughtful way is to not hamstring the committee by preventing the committee from making any changes to these programs. Rather, let's be thoughtful, flexible.

I urge Members not to approve this amendment.

Mr. HATCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to amendment No. 508. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

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

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—49

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

NAYS—50

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

NOT VOTING—1

Johnson

The amendment (No. 508) was rejected.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we are making progress, but we are not making progress fast enough. If we stick to this current pace, and people insist on the number of amendments that are still outstanding, we are going to be here all night. Staff just informed me that is the reality.

Please, if you can withhold and offer them on a separate vehicle, do that.

Senator ALLARD is next.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 521

Mr. ALLARD. Mr. President, I call up amendment No. 521 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. ALLARD] proposes an amendment numbered 521.

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

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

The amendment is as follows:

(Purpose: To improve the economy, efficiency, and effectiveness of Federal programs and reduce the Federal debt by eliminating waste, fraud, and abuse)

At the end of the resolution, insert the following:

TITLE IV—RECONCILIATION

SEC. 401. SPENDING RECONCILIATION INSTRUCTIONS FOR THE ELIMINATION OF WASTE, FRAUD, AND ABUSE IN MANDATORY PROGRAMS.

(a) SPENDING RECONCILIATION INSTRUCTIONS.—In the Senate, not later than June 29, 2007, the Senate committees named in this section shall submit their recommendations to the Senate Committee on the Budget. After receiving those recommendations, the Senate Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) SPECIAL SCOREKEEPING RULE IN THE SENATE.—

(1) REPORT TO SENATE BUDGET COMMITTEE.—If a reconciliation bill is enacted under this section, the Congressional Budget Office, pursuant to section 202 of the Congressional Budget Act of 1974, shall send a report to the Chairman of the Committee on the Budget—

(A) whether that measure contains provisions that decrease budget authority or outlays from the elimination of waste, fraud, and abuse; and

(B) the amount of budget authority or outlays reduced each year attributable to the elimination of waste, fraud, and abuse in the bill, including the current year, the budget year, and for each of the 10 years following the current year.

(2) EXCLUSION FROM PAY-AS-YOU-GO SCORECARD.—Any budget authority or outlays reduced from provisions eliminating waste, fraud, and abuse (as detailed in the report required by paragraph (1)) shall not count as offsets for purposes of section 201 of this resolution.

(c) COMMITTEES.—

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$686,000,000 in outlays for fiscal year 2008 and \$3,577,000,000 in outlays for the period of fiscal years 2008 through 2012.

(2) COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$113,000,000 in new budget authority for fiscal year 2008 and \$529,000,000 in new budget authority for the period of fiscal years 2008 through 2012.

(3) COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$110,000,000 in outlays for fiscal year 2008 and \$545,000,000 in outlays for the period of fiscal years 2008 through 2012.

(4) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$48,000,000 in outlays for fiscal year 2008 and \$250,000,000 in outlays for the period of fiscal years 2008 through 2012.

(5) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$18,000,000 in outlays for fiscal year 2008 and \$97,000,000 in outlays for the period of fiscal years 2008 through 2012.

(6) COMMITTEE ON FINANCE.—The Senate Committee on Finance shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that

committee by \$10,406,000,000 in budget authority for fiscal year 2008 and \$58,820,000,000 in outlays for the period of fiscal years 2008 through 2012.

(7) COMMITTEE ON FOREIGN RELATIONS.—The Senate Committee on Foreign Relations shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$148,000,000 in outlays for fiscal year 2008 and \$665,000,000 in outlays for the period of fiscal years 2008 through 2012.

(8) COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.—The Senate Committee on Homeland Security and Governmental Affairs shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$1,063,000,000 in outlays for fiscal year 2008 and \$5,784,000,000 in outlays for the period of fiscal years 2008 through 2012.

(9) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$81,000,000 in outlays for fiscal year 2008 and \$406,000,000 in outlays for the period of fiscal years 2008 through 2012.

(10) COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS.—The Senate Committee on Health, Education, Labor, and Pensions shall report changes in laws within its jurisdiction sufficient to reduce the level of direct spending for that committee by \$145,000,000 in outlays for fiscal year 2008 and \$778,000,000 in outlays for the period of fiscal years 2008 through 2012.

Mr. ALLARD. Mr. President, this is an amendment that puts in reconciliation language a 1-percent reduction in spending in the mandatory programs that have been identified as having fraud, waste, and abuse. It excludes Armed Services, Veterans, and Social Security.

The amendment comes about because of the 2004 budget resolution, where Congress directed the Comptroller General to submit a comprehensive report identifying instances in which the committees of jurisdiction may make legislative changes to improve the economy, efficiency, and effectiveness of Federal programs in their jurisdiction.

In compliance with our request, the GAO submitted a 300-plus-page report full of specific examples of legislative changes with potential to yield budgetary savings. This will reduce the debt by \$13 billion the first budget year and \$71 billion over 5 years.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, this amendment, if it were adopted, would cut Medicare and Medicaid by \$58.8 billion. It would cut the Homeland Security Committee by \$5.8 billion. It would cut the Agriculture Committee by \$3.6 billion.

Beyond that, Mr. President, the pending amendment is not germane. Therefore, I raise a point of order that the amendment violates section 305(b)2 of the Congressional Budget Act of 1974, and I urge a "no" vote.

Mr. ALLARD. Mr. President, I ask that we waive the point of order, and I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The yeas and nays resulted—yeas 39, nays 60, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—39

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

NAYS—60

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

NOT VOTING—1

Johnson

The PRESIDING OFFICER. On this vote, the yeas are 39, the nays are 60. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained, and the amendment fails.

The Senator from North Dakota is recognized.

AMENDMENT NO. 510, AS MODIFIED

Mr. CONRAD. Mr. President, the next amendment is the Smith amendment.

Let me just say we have to get colleagues to cooperate a little more on reducing the number of amendments they are insisting on or we are going to be here late into the night. That is just what the reality is. Please, colleagues, withhold.

Senator SMITH is next.

Mr. SMITH. Mr. President, I call up amendment No. 510 and ask that it be modified with the changes at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH] proposes an amendment numbered 510, as modified.

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

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

The amendment is as follows:

At the end of section 301, add the following: "Among the policy changes that could be considered to achieve offsets to the cost of reauthorizing the State Children's Health Insurance Program and expanding coverage for children is an increase in the tobacco products user fee rate with all revenue generated by such increase dedicated to such reauthorization and expansion."

Mr. SMITH. Mr. President, I also ask that Senator KENNEDY, at his request, be added as an original cosponsor to the amendment.

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

Mr. SMITH. Mr. President, since the beginning of this Congress, I have heard colleagues on both sides of the aisle, Republicans and Democrats, talk about their determination to reauthorize and fund SCHIP to keep its promise to America's children, especially those with low income. This amendment is the one amendment that proposes a real policy that will raise real dollars so we can take a meaningful step in keeping the promise of SCHIP. It proposes a reasonable increase in the tobacco tax that would provide up to \$35 billion to help in this reauthorization, keeping this very important promise to millions of America's children.

I believe this is a defining moment. Put politics aside and do something the American people can be proud of.

The PRESIDING OFFICER. Who yields time in opposition? The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, we would be pleased to accept this amendment on a voice vote.

Mr. BUNNING. I object.

Mr. CONRAD. If objection is heard—Senators can vote however they think is the right way. We certainly always have that right; Senators always have that right.

On this side, I urge Senators to vote aye.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to amendment No. 510, as modified. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—59

Akaka	Bennett	Boxer
Baucus	Biden	Brown
Bayh	Bingaman	Byrd

Cantwell	Inouye	Nelson (FL)
Cardin	Kennedy	Obama
Carper	Kerry	Pryor
Casey	Klobuchar	Reed
Clinton	Kohl	Rockefeller
Cochran	Landrieu	Salazar
Coleman	Lautenberg	Sanders
Collins	Leahy	Schumer
Conrad	Levin	Smith
Dodd	Lieberman	Snowe
Dorgan	Lincoln	Specter
Durbin	Lugar	Stabenow
Feingold	Martinez	Stevens
Feinstein	Menendez	Tester
Gregg	Mikulski	Whitehouse
Harkin	Murkowski	Wyden
Hatch	Murray	

NAYS—40

Alexander	Domenici	Nelson (NE)
Allard	Ensign	Reid
Bond	Enzi	Roberts
Brownback	Graham	Sessions
Bunning	Grassley	Shelby
Burr	Hagel	Sununu
Chambliss	Hutchison	Thomas
Coburn	Inhofe	Thune
Corker	Isakson	Vitter
Cornyn	Kyl	Voinovich
Craig	Lott	Warner
Crapo	McCain	Webb
DeMint	McCaskill	
Dole	McConnell	

NOT VOTING—1

Johnson

The amendment (No. 510), as modified, was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENTS NOS. 519, 499, 528, 546, 602, 619, 490, 616, 620, 615, AND 614, EN BLOC

Mr. CONRAD. Mr. President, Senator GREGG and I have worked through a number of amendments, and I will now send that package to the desk and ask that the amendments be agreed to, and the motions to reconsider be laid on the table.

The list of amendments includes: Lieberman-Collins No. 519; Burr No. 499; Biden No. 528; Thune No. 546; Kennedy No. 602; Chambliss-Feinstein No. 619; Reid-Sanders No. 490; Kerry-Sanders No. 616; Webb-Warner No. 620; Kerry No. 615; and Graham No. 614.

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

The amendments were agreed to, as follows:

AMENDMENT NO. 519

(Purpose: To increase funding for vital first responder homeland security programs, including \$400,000,000 to establish a dedicated interoperability grant program and \$331,000,000 for Emergency Management Performance Grants)

On page 16, line 10, increase the amount by \$731,000,000.

On page 16, line 11, increase the amount by \$156,000,000.

On page 16, line 15, increase the amount by \$232,000,000.

On page 16, line 19, increase the amount by \$181,000,000.

On page 16, line 23, increase the amount by \$133,000,000.

On page 17, line 3, increase the amount by \$28,000,000.

On page 26, line 12, decrease the amount by \$731,000,000.

On page 26, line 13, decrease the amount by \$156,000,000.

On page 26, line 17, decrease the amount by \$232,000,000.

On page 26, line 21, decrease the amount by \$181,000,000.

On page 26, line 25, decrease the amount by \$133,000,000.

On page 27, line 4, decrease the amount by \$28,000,000.

AMENDMENT NO. 499

(Purpose: To develop biodefense medical countermeasures by fully funding the Biomedical Advanced Research and Development Authority (BARDA) in a fiscally responsible manner)

On page 18, line 12, increase the amount by \$140,000,000.

On page 18, line 13, increase the amount by \$84,000,000.

On page 18, line 17, increase the amount by \$42,000,000.

On page 18, line 21, increase the amount by \$14,000,000.

On page 26, line 12, decrease the amount by \$140,000,000.

On page 26, line 13, decrease the amount by \$84,000,000.

On page 26, line 17, decrease the amount by \$42,000,000.

On page 26, line 21, decrease the amount by \$14,000,000.

AMENDMENT NO. 528

(Purpose: To increase funding by \$100 million for the Violence Against Women Act (VAWA) programs administered by the Department of Justice and the Department of Health and Human Services, with an offset of an unallocated reduction to non-defense discretionary spending and/or reduction to administrative expenses)

On page 18, line 12, increase the amount by \$40,000,000.

On page 18, line 13, increase the amount by \$11,000,000.

On page 18, line 17, increase the amount by \$18,000,000.

On page 18, line 21, increase the amount by \$9,000,000.

On page 23, line 12, increase the amount by \$60,000,000.

On page 23, line 13, increase the amount by \$13,000,000.

On page 23, line 17, increase the amount by \$18,000,000.

On page 23, line 21, increase the amount by \$12,000,000.

On page 23, line 25, increase the amount by \$9,000,000.

On page 24, line 4, increase the amount by \$8,000,000.

On page 26, line 12, decrease the amount by \$100,000,000.

On page 26, line 13, decrease the amount by \$24,000,000.

On page 26, line 17, decrease the amount by \$36,000,000.

On page 26, line 21, decrease the amount by \$21,000,000.

On page 26, line 25, decrease the amount by \$9,000,000.

On page 27, line 4, decrease the amount by \$8,000,000.

AMENDMENT NO. 546

(Purpose: To provide for a total of \$99,000,000 in COPS Hot Spots funding, as authorized in the Combat Meth Act)

On page 23, line 12, increase the amount by \$29,000,000.

On page 23, line 13, increase the amount by \$26,100,000.

On page 23, line 17, increase the amount by \$2,900,000.

On page 26, line 12, decrease the amount by \$29,000,000.

On page 26, line 13, decrease the amount by \$26,100,000.

On page 26, line 17, decrease the amount by \$2,900,000.

AMENDMENT NO. 602

(Purpose: To increase funding for drug safety oversight at the Food and Drug Administration by \$40,000,000 in fiscal year 2008)

On page 18, line 12, increase the amount by \$40,000,000.

On page 18, line 13, increase the amount by \$36,000,000.

On page 18, line 17, increase the amount by \$4,000,000.

On page 26, line 12, decrease the amount by \$40,000,000.

On page 26, line 13, decrease the amount by \$36,000,000.

On page 26, line 17, decrease the amount by \$4,000,000.

AMENDMENT NO. 619

(Purpose: To provide Edward Byrne Memorial Justice Assistance Grant Program finding as authorized in the Violence Against Women and Department of Justice Reauthorization Act of 2005)

On page 23, line 12, increase the amount by \$376,000,000.

On page 23, line 13, increase the amount by \$338,400,000.

On page 23, line 17, increase the amount by \$37,000,000.

On page 26, line 12, decrease the amount by \$376,000,000.

On page 26, line 13, decrease the amount by \$338,400,000.

On page 26, line 17, decrease the amount by \$37,000,000.

AMENDMENT NO. 490

(Purpose: To provide funding to eliminate the offset between military retirement pay and disability compensation for America's veterans)

At the end of title III, add the following:

SEC. ____ DEFICIT-NEUTRAL RESERVE FUND FOR ELIMINATING MILITARY RETIREMENT AND DISABILITY OFFSET.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that would extend eligibility for concurrent receipt of military retirement pay and veterans' disability compensation or would expand eligibility for Combat-Related Special Compensation to permit additional disabled retirees to receive both disability compensation and retired pay, by the amounts provided by such legislation for that purpose, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

AMENDMENT NO. 616

(Purpose: To increase funding for small business programs at the Small Business Administration such as microloans, Women's Business Centers, and Small Business Development Centers)

On page 14, line 9, increase the amount by \$97,000,000.

On page 14, line 10, increase the amount by \$75,000,000.

On page 14, line 14, increase the amount by \$16,000,000.

On page 14, line 18, increase the amount by \$4,000,000.

On page 14, line 22, increase the amount by \$1,000,000.

On page 26, line 12, decrease the amount by \$97,000,000.

On page 26, line 13, decrease the amount by \$75,000,000.

On page 26, line 17, decrease the amount by \$16,000,000.

On page 26, line 21, decrease the amount by \$4,000,000.

On page 26, line 25, decrease the amount by \$1,000,000.

AMENDMENT NO. 620

(Purpose: To provide funding for NASA aeronautics at the fiscal year 2007 levels)

On page 15, line 9, increase the amount by \$163,000,000.

On page 15, line 10, increase the amount by \$163,000,000.

On page 26, line 12, decrease the amount by \$163,000,000.

On page 26, line 13, decrease the amount by \$163,000,000.

AMENDMENT NO. 615

(Purpose: To include in the veterans' reserve fund services for low-vision and blinded veterans)

On page 59, line 7, after "erans," insert "including services for low-vision and blinded veterans."

AMENDMENT NO. 614

(Purpose: To increase the budgetary totals for the Department of Commerce to provide additional trade enforcement capability and to provide an offset)

On page 9, line 8, increase the amount by \$10,000,000.

On page 9, line 9, increase the amount by \$8,000,000.

On page 9, line 12, increase the amount by \$_____.

On page 9, line 13, increase the amount by \$1,000,000.

On page 9, line 16, increase the amount by \$_____.

On page 9, line 17, increase the amount by \$1,000,000.

On page 14, line 9, increase the amount by \$10,000,000.

On page 14, line 10, increase the amount by \$8,000,000.

On page 14, line 13, increase the amount by \$_____.

On page 14, line 14, increase the amount by \$1,000,000.

On page 14, line 17, increase the amount by \$_____.

On page 14, line 18, increase the amount by \$1,000,000.

On page 23, line 12, increase the amount by \$10,000,000.

On page 23, line 13, increase the amount by \$8,000,000.

On page 23, line 16, increase the amount by \$_____.

On page 23, line 17, increase the amount by \$1,000,000.

On page 24, line 20, increase the amount by \$_____.

On page 23, line 21, increase the amount by \$1,000,000.

On page 14, line 17, increase the amount by \$_____.

On page 14, line 18, increase the amount by \$_____.

On page 24, line 12, increase the amount by \$10,000,000.

On page 24, line 13, increase the amount by \$8,000,000.

On page 24, line 16, increase the amount by \$_____.

On page 24, line 17, increase the amount by \$1,000,000.

On page 24, line 20, increase the amount by \$_____.

On page 24, line 21, increase the amount by \$1,000,000.

On page 26, line 12, decrease the amount by \$40,000,000.

On page 26, line 13, decrease the amount by \$32,000,000.

On page 26, line 16, decrease the amount by \$_____.

On page 26, line 17, decrease the amount by \$4,000,000.

On page 26, line 20, decrease the amount by \$_____.

On page 26, line 21, decrease the amount by \$4,000,000.

Mrs. FEINSTEIN. Mr. President, I rise to speak in support of an amendment to the budget resolution that Senator CHAMBLISS and I have offered to increase FY2008 funding for the Ed-

ward Byrne Memorial Justice Assistance Grant program to \$900 million.

The need for this amendment is clear. This country is currently experiencing a violent crime surge unlike anything we have seen in more than a decade. Just a few weeks ago, the Police Executive Research Forum reported that their survey of 56 cities and sheriffs' departments showed that, from 2004 to 2006, homicides increased overall by 10 percent, aggravated assaults with guns rose 10 percent, and robberies rose 12 percent. In just 2 years.

Of course, these updated survey results mirror the FBI's own statistics, which showed that in 2005 violent crime rose in every region of the country, and by 2.5 percent overall—the largest reported increase in 15 years. For the first 6 months of 2006, the surge in violent crime was even worse—3.7 percent overall, according to the FBI.

Let me put these numbers in human terms. The International Association of Chiefs of Police equates this 2.5 percent rise to 31,479 more victims of violent crime in 2005. And a 3.7 percent increase for all of 2006, it says, equates to about 47,000 more Americans murdered, robbed, assaulted, raped, or subjected to violent crimes last year.

Unfortunately, despite these disturbing numbers, the President's budget proposal for FY2008 continued to propose drastic cuts in the Federal assistance traditionally available to State and local law enforcement.

Listen to the warning cry that the International Association of Chiefs of Police recently issued:

[T]he cuts contained in the proposed FY 2008 budget have the potential to cripple the capabilities of law enforcement agencies nationwide and force many departments to take officers off the streets, leading to more crime and violence in our hometowns and, ultimately, less security for our homeland.

These are strong words, but they make sense in the wake of the drastic Federal cuts we have seen to State and local law enforcement, especially in the last few years.

In FY2007, the total funding level for State, tribal and local law enforcement assistance was \$2.316 billion. That was already more than \$1.5 billion below the level given only 5 years earlier, when DOJ funded programs for state and local law enforcement totaled \$3.831 billion.

Last year's \$2.316 billion amount included not only Byrne/JAG, but also the COPS program and 17 other State and Local Law Enforcement Assistance grant programs, including the State Criminal Alien Assistance Program, SCAAP; Tribal Courts Initiative, and other programs to promote Drug Courts, Prescription Drug Monitoring, Cannabis Eradication, and State and Local Intelligence Capabilities.

For FY2008, however, the President remarkably proposed to eliminate all 17 of these programs. In their place, it

proposed only two consolidated programs, one of which would be called the Byrne Public Safety Program, or BPSP. Unfortunately, even when BPSP was combined with the President's other proposed programs, its total budgeted amount for FY2008 was only \$582 million—a \$1.7 billion cut from the already-depleted FY2007 number.

In other words, the President's budgeted \$582 million represented an 85 percent cut in these funds in just 6 years. And to make matters worse, the President's FY2008 budget also proposed more than \$500 million in cuts to the DHS grant programs traditionally available to State and local law enforcement.

During the 1990s and earlier years in this decade, our Federal Government vigorously funded grants programs for State and local law enforcement. And we saw results—violent crime went down year after year. But with the recent cuts, violent crime rates have now turned back up. Literally tens of thousands of additional Americans each year have become victims of violent crime.

It is time for the Senate to add substantial Byrne/JAG funding to this year's budget resolution—just as we have done in the past 2 years. In FY2006 and again in FY2007, this Senate voted to increase Byrne/JAG to \$900 million—even after President Bush and previous Budget Committees tried to "zero out" this program.

I recognize and appreciate that Senator CONRAD and his Budget Committee in the new Congress have taken a very different view of Byrne/JAG. I applaud their decision to reject the much smaller budget figure for Byrne/JAG that was contained in the President's Budget, as well as the decision to reject the President's proposal to consolidate Byrne/JAG with other grant programs and eliminate its formula funding. This is a major step forward.

Unfortunately, however, it just is not enough. At a time when this country is seeing the biggest surge in violent crime it has experienced in more than a decade, using FY2007 levels that are \$1.5 billion below FY2002 levels will not do the trick. The Senate must do more—just as we rose to the occasion and voted to do more in the past.

After a Byrne/JAG amendment was offered on the budget resolution last year, we were confronted in June with the sharply higher 2005 violent crime numbers reported by the FBI. And in December, the FBI gave us even worse violent crime numbers for the first half of 2006. Given these disturbing trends, the Senate needs to restore these needed funds to the Byrne/JAG program.

I understand that this budget is tight, and I appreciate the difficult tradeoffs involved. But at a time when

we are about to consider a Supplemental Appropriations bill that may add more than \$100 billion so that we can try to secure the streets of Baghdad against violence, I do not think that it's asking too much for us to spend the funds we need to secure our own streets from the violence that the FBI says we are increasingly seeing.

Homeland security is undoubtedly important, but so is home town security.

The Byrne/JAG program, named after slain New York Police Officer Edward Byrne, is a time-tested program run by DOJ that has proven its effectiveness over the course of more than 20 years. It is a key source of funding for multi-jurisdictional task forces. And because 40 percent of a State's Byrne/JAG funds must be set aside for local governments, smaller and rural law enforcement agencies are often especially dependent on Byrne/JAG to meet their needs.

Increased funding for Byrne/JAG has been endorsed by a wide array of law enforcement groups, and I urge my colleagues to support this important amendment.

AMENDMENT NO. 616

Mr. KERRY. Mr. President, I want to thank my colleagues for supporting the amendment Senator SNOWE and I offered to provide an additional \$97 million to the Small Business Administration. This amendment was necessary because the President's budget request of \$464 million was inadequate to fund the agency's core programs.

This, unfortunately, is nothing new. Since the President took office in 2001, he has cut the SBA, the only Federal agency dedicated to the startup and growth of small businesses, more than any other agency. If we exclude disaster loan funding, the President has cut the SBA by more than 30 percent.

As a result of the President's cuts, SBA's loans and venture capital are more expensive, shifting more than \$100 million in fees to the small business community, businesses are getting less counseling, and they are losing out on opportunities to do business with the Federal Government, a very serious problem since the Federal Government spends about \$370 billion on contracting for services and goods each year.

Consequently, the baseline funding for the SBA is so low that it has made it very hard for Congress to reverse the President's cuts. Nevertheless, Senator CONRAD and his Committee were able to increase by \$635 million the account—referred to as function 370—that provides funding for the SBA and other agencies. I congratulate them, and thank them. They have demonstrated that it is possible to provide reasonable funding for effective initiatives and still put the country back on track to a balanced budget.

Among the most disturbing proposed cuts to the SBA in fiscal year 2008, the President has for the fourth year in a row eliminated all funding for the

Microloan program and for Microloan Technical Assistance. This is very hard to justify given that the administration is willing to spend so much on micro-credit in other countries. In 2005, the administration provided approximately \$211 million for the development of foreign microenterprise programs through the Agency for International Development. In fiscal year 2006, we are told by Ambassador Zalmay Khalilzad, the U.S. Ambassador to Iraq, that the administration provided more than \$54 million for microloans in Iraq. And for fiscal year 2007, the administration has requested supplemental funding for Iraq that includes at least \$160 million for micro-credit programs.

Our amendment restores the Microloan and Microloan technical assistance programs to the levels they were at in 2001—\$3.2 million to leverage \$30 million in loans and \$20 million in technical assistance. Our amendment also restores the proposed cuts to the Women's Business Centers, the Small Business Development Centers, the Office of Veterans Business Development, and programs for the development of minority businesses and Native Americans. It restores \$10 million in funding for the New Markets programs, which have never received support from this administration, in spite of claims about targeting areas of high unemployment.

My one big regret is that this amendment does not provide funding for the 7(a) Loan Guaranty Program. My original budget amendment, No. 515, did include \$79 million in order to reduce fees on borrowers and lenders, which could have gone a long way to making these loans more affordable. Right now, on the largest loans, borrowers are paying around \$50,000 in fees when a conventional loan would only cost around \$20,000 in fees. We need to get that cost down. I am very disappointed that the Republican leadership would not allow any funding for the 7(a) loans to be included in our amendment. I am hopeful that Senator SNOWE and I, with our colleagues in the House, can continue to work on this and get funding for fee relief during the appropriations process.

Aside from that one disappointment, I am very pleased with our amendment. It is reasonable and realistic. By restoring \$97 million to the SBA, we bring its funding for fiscal year 2008 to \$561 million. This is still \$125 million—or 18 percent—less than SBA's funding in fiscal year 2001, and it is a fraction of the \$2.9 trillion budget President Bush proposed for fiscal year 2008, but it will go a long way to fostering small business growth and sparking innovation.

I thank Senator SNOWE and our colleagues Senators LIEBERMAN, ENZI, CANTWELL, and PRYOR for joining in this bipartisan effort.

Ms. SNOWE. Mr. President, as ranking member of the Senate Committee on Small Business and Entrepreneur-

ship, I rise to draw attention to funding for our Nation's small businesses, which has systematically declined over the last 6 years and is inadequate in both the President's budget and this budget resolution before us. I first commend my colleague, Senator KERRY, for working with me on this bipartisan amendment to restore this critical funding for small businesses.

This amendment would restore \$97 million in funding to the Small Business Administration, an agency that contributes substantially to our economic growth. Since 2001 the SBA's overall budget has declined by an unacceptable 31 percent. Especially when one considers that small businesses are the backbone of our economy, breathing life into areas once devastated by manufacturing closures, disasters, and economic recessions, it is frankly beyond me why we continue to shrink the resources that actually help our Nation's job creators grow.

Just last month, I heard firsthand from over 90 Maine small business manufacturers about the barriers that hinder their success and the programs that have helped manufacturers grow and expand their business like the SBA's 504, 7(a), SBDC and HUBZone programs. However, this budget falls short of providing the very programs that have helped revitalize Maine's and our Nation's communities devastated by over 20,700 manufacturing job losses since 2000.

This amendment is about the 25.8 million small businesses and small manufacturers across the country, which are vital to the economic growth and job creation in each of our States. In every State, small businesses are the engine that drives our economy. Small businesses use SBA loans to expand and hire new workers; they receive vital advice from Women's Business Centers, Small Business Development Centers, and Veterans Business Development Centers; and they survive and thrive by obtaining contracts with the Federal Government. These are the people and the businesses my amendment assists. So why does this budget handcuff the very programs that have allowed our businesses and economy to expand?

The SBA has helped create and retain over 5.3 million jobs since 1999. It is clear that our economic future depends on the success of small firms, which constitute over 98 percent of our Nation's manufacturing enterprises, create nearly three-quarters of new jobs, and produce 50 percent of the gross domestic product. However, we cannot, on the one hand, state how much we value small businesses, and on the other hand, neglect to provide the assistance that small businesses so desperately need to compete.

This bipartisan amendment provides funds for the SBA's Microloan Program, which provides loans of up to \$35,000 and technical assistance to new and growing small businesses. The administration proposes to eliminate the

subsidy for microloans and transfer the technical assistance duties to the entrepreneurial development programs. However, this relatively inexpensive program is critical to our next generation of entrepreneurs. In fact, in my own State of Maine, the Microloan Program has made 94 loans over the last 2 years, for a total of \$1.7 million. The elimination of this subsidy will increase interest rates for our Nation's microlenders and micro-entrepreneurs located in rural and underserved communities that have no other resource for financing.

Additionally, this amendment provides the critical funding for Small Business Development Centers, SCORE and Women's Business Centers, which served over 1.2 million clients in 2006. Not only has funding for these programs decreased over the last 5 years but the SBA proposes to increase their responsibility to take on microloan technical assistance. These critical programs need and, quite frankly, deserve the resources to reach and assist more small businesses.

Moreover, this amendment provides the resources necessary for our small businesses to access prime contracting and subcontracting opportunities. The SBA has failed to fix regulatory loopholes identified by the GAO that allows large contractors to keep small business set-asides. To address a contracting market that has increased to nearly \$400 billion a year, the SBA budget needs to increase its resources and provide proper oversight.

I would like to point out the irony that the administration's budget supports and funds microloans and assistance for foreign microenterprises, but eliminates, yes, eliminates, all funding for domestic microloans and assistance for American microenterprises. While I fully support aid and assistance to foreign microenterprises, what are we saying with this imbalance? Is this fair? Is this the message we want to send to our Nation's small businesses?

How can we justify repeated cuts in funding for loans and assistance here at home? Is this our priority? I think it is not, and this amendment reflects our priorities and our commitment to American small businesses. The \$97 million provided for here would make a significant difference to our job-creating small firms and helps them grow, flourish and thrive.

My amendment is absolutely necessary for America's small businesses and is an investment in the entrepreneurship and future of this country. I urge my colleagues to support it for the SBA and our small business job creators. If we fail to provide sufficient support to SBA's core lending and business development programs, we threaten to reduce small businesses' ability to compete. The American economy needs a strong and vibrant Small Business Administration.

Mr. SANDERS. Mr. President, the amendment the majority leader and I are offering today is the first step in

our effort this Congress to undo a fundamental unfairness that affects over 300,000 disabled veterans in this country who also happen to be military retirees. In short, this amendment creates a reserve fund that will allow this Congress to once and for all eliminate the offset that exists between military retiree pay and VA disability benefits.

At a time when we have men and women in harm's way in Iraq, Afghanistan and in other locations around the globe, it is appropriate that the budget resolution we pass out of the United States Senate acknowledge and seriously address the unmet needs of our Nation's veterans.

It is wrong that our veterans are enduring long waiting lines to receive health care from the VA due to inadequate funding. It is wrong that the Bush administration slammed the doors of the VA health care system on hundreds of thousands of so-called "higher income" veterans—veterans who in reality make as little as \$28,000 a year. And it is wrong for this administration to try to impose higher copayments and enrollment fees on our veterans. As someone who sits on both the Budget Committee and the Veterans Affairs Committee, I am incredibly proud that on all these issues, this budget resolution is on the side of veterans and rejects administration proposals that short-change and nickel and dime those who have served.

The scandal at Walter Reed has highlighted that even here in Washington, only a short distance from this chamber, some of our servicemembers were living in sub-standard conditions with moldy walls, rodents, and holes in the ceilings. Thankfully, this budget resolution also addresses this outrage.

In addition, this budget resolution also provides for substantial, new investments in mental health services for our veterans to help us treat the thousands of veterans returning from the Iraq War with Post Traumatic Stress Disorder, PTSD. Also this budget resolution recognizes that we need to significantly increase funding to treat the large number of servicemembers returning with traumatic brain injury.

Finally, this budget resolution includes an amendment I added in committee that will allow us to make other important improvements to veterans' programs later this year. In short, the budget resolution we are considering is a huge step in the right direction when it comes to veterans' health care and benefits. Chairman CONRAD and his staff deserve tremendous credit for recognizing the very serious needs of our veterans and moving boldly to address them. I also want to commend Chairman AKAKA of the Veterans' Affairs Committee and his staff for their work and support throughout this budget process.

Even with the tremendous strides forward we have made for veterans in this budget resolution there is one additional issue that needs to be addressed. Today, Senator REID and I are

offering this amendment to take care of that very important issue. Before getting into the details first let me start off by saying that I am honored to be working with the majority leader on this issue. I know that, year after year, he has been the leading voice in the Senate to eliminate the Disabled Veterans Tax. And today, he continues that leadership with this amendment.

This amendment would create a reserve fund to allow for the elimination of the remaining offset between military retiree pay and VA disability payments. In my view, this is an issue of basic fairness. Military retirees earned their retiree pay based on their long-term service to the Nation. They earn their VA disability benefits based on the disability they acquire or aggravate in the service of their country.

The current offset between these separately-earned benefits originates from a 19th century law that required a dollar-for-dollar offset of military retired pay for VA disability compensation. In my view and the view of millions of veterans across the country, it is clear that veterans deserve to receive both their military retirement which they receive for their service and their VA disability payments as additional compensation for the injuries and lost earning power due to their service-connected disabilities.

Let me provide just a bit of background on some of the progress Congress has made on this issue in recent years, thanks in large part to the work of Senator REID. In the fiscal year 2003 Department of Defense Authorization, Congress created a special benefit called "combat-related special compensation" or CRSC. It expanded it in the fiscal year 2004 DoD Authorization. CRSC gives certain combat disabled veterans a cash benefit equivalent to what they would receive if full concurrent receipt were allowed.

In the fiscal year 2004 DoD Authorization bill, Congress approved phasing-in concurrent receipt for military retirees rated as at least 50 percent disabled. The fiscal year 2005 DoD Authorization ended the phase in for 100 percent disabled veterans.

So, today we find ourselves in a situation where retirees who are less than 50 percent disabled are getting no relief from the Disabled Veterans Tax and veterans at least 50 percent disabled but less than 100 percent disabled are in the middle of the phase period that will not be complete until 2014. Frankly, if Congress has made the determination that the ban on concurrent receipt of military retiree pay and VA disability compensation is wrong—and I think the legislation passed so far demonstrates that Congress has made that determination—there is no excuse for making veterans wait for the benefits that we have acknowledged they are due. Now is the time—once and for all—we need to eliminate the disabled veterans tax.

The Reid-Sanders amendment is just one important step we need to take to

keep faith to the promises we made to our veterans. I look forward to working with the majority leader on this issue as it moves through the legislative process and I would ask that my colleagues to support this amendment.

Mr. CONRAD. Mr. President, next we go to the Thomas amendment.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I note on this amendment, when we get into the rollcall, Senator STEVENS and Senator INOUE wish to be deemed as paired.

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

Mr. CONRAD. Mr. President, did the desk get that?

On this next amendment, Senator STEVENS and Senator INOUE are paired?

The PRESIDING OFFICER. The desk got that.

The Senator from Wyoming.

AMENDMENT NO. 515

Mr. THOMAS. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS] proposes amendment No. 515.

Mr. THOMAS. Mr. President, I ask that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To prevent the adding of extraneous earmarks to an emergency war supplemental)

On page 34, line 9, after the period insert "In a nonregular appropriations bill designated to supplement funding for ongoing combat operations, the authority to designate under this subsection shall only apply to war-related items that meet the criteria provided in subsection (f)."

Mr. THOMAS. Mr. President, very quickly, this is a very simple vote, actually. What it has to do with is limiting the amount of additions that can be put on supplementals that are designed for Defense spending. The amendment I am offering would attempt to bring some discipline back into the emergency spending process.

It simply holds to a supplemental those things that a supplemental was designed for. The very nature of emergency spending is above and beyond the approved budget. If we want to control spending and control the deficit, then we need to control what we put on these kinds of supplemental bills we are seeing worked out right as we speak.

However, too often the emergency supplementals are larded with all kinds of pet projects and spending that Members cannot pass in the regular process or others put it in there to get theirs passed.

It is an abuse of the process. We are going to end up holding our troops hostage because of extraneous spending. I

ask that Members support the amendment, that we hold spending in the supplemental to the military for which it is designed.

The PRESIDING OFFICER (Mr. TESTER). The Senator from North Dakota.

Mr. CONRAD. Mr. President, this amendment, while well intended, would create a serious problem for the body. This amendment prevents the Appropriations Committee from reporting a bill with more than one type of emergency designation. Let me give my colleagues a concrete example. Last year Congress enacted an appropriations bill that included funding for the war effort in Afghanistan and Iraq, as well as disaster relief for the gulf coast. This amendment would prevent that kind of legislation. That would reduce the effectiveness and efficiency of this Chamber already noted for lacking efficiency. I urge my colleagues to vote no.

The PRESIDING OFFICER. The question is agreeing to amendment No. 515.

Mr. THOMAS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

Mr. MCCONNELL. The following Senator is necessarily absent: the Senator from Mississippi (Mr. LOTT).

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

The result was announced—yeas 39, nays 59, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—39

Alexander	Crapo	Isakson
Allard	DeMint	Kyl
Bayh	Dole	Martinez
Bennett	Domenici	McCain
Brownback	Ensign	McConnell
Bunning	Enzi	Murkowski
Burr	Graham	Roberts
Chambliss	Grassley	Sessions
Coburn	Gregg	Stevens
Cochran	Hagel	Sununu
Corker	Hatch	Thomas
Cornyn	Hutchison	Voinovich
Craig	Inhofe	Warner

NAYS—59

Akaka	Durbin	Mikulski
Baucus	Feingold	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Harkin	Nelson (NE)
Bond	Inouye	Obama
Boxer	Kennedy	Pryor
Brown	Kerry	Reed
Byrd	Klobuchar	Reid
Cantwell	Kohl	Rockefeller
Cardin	Landriau	Salazar
Carper	Lautenberg	Sanders
Casey	Leahy	Schumer
Clinton	Levin	Shelby
Coleman	Lieberman	Smith
Collins	Lincoln	Snowe
Conrad	Lugar	Specter
Dodd	McCaskill	Stabenow
Dorgan	Menendez	

Tester Thune Vitter Webb Whitehouse Wyden

NOT VOTING—2

Johnson Lott

The amendment (No. 515) was rejected.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, was the last vote announced?

The PRESIDING OFFICER. Yes.

Mr. GREGG. Then I believe we are going to Senator SPECTER.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 613, AS MODIFIED

Mr. SPECTER. Mr. President, I call up amendment No. 613, as modified.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 613, as modified.

The amendment is as follows:

On page 63, after line 24, insert the following:

SEC. 326. DEFICIT-NEUTRAL RESERVE FOR ASBESTOS REFORM LEGISLATION.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report regarding asbestos reform, that (i) either provides monetary compensation to impaired victims of mesothelioma or provides monetary compensation to impaired victims of asbestos-related disease who can establish that asbestos exposure is a substantial contributing factor in causing their condition, (ii) does not provide monetary compensation to unimpaired claimants or those suffering from a disease who cannot establish that asbestos exposure was a substantial contributing factor in causing their condition, and (iii) is estimated to remain funded from non-taxpayer sources for the life of the fund, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2057.

Mr. SPECTER. Mr. President, after very considerable negotiation, it is my understanding this amendment is acceptable. I thank Senator CONRAD, Senator GREGG, Senator REID, and Senator ENSIGN for their cooperation.

What this amendment does is eliminate a highly technical point of order that might have been available on asbestos reform legislation, to give the discretion to the chairman of the Budget Committee to approve a reserve fund. The bill will have to be revenue neutral. There are other points of order which could lie, but I think we will be able to establish revenue neutrality when we produce the bill.

It has been necessary because some \$30 billion to \$40 billion have been lost on bankruptcy proceedings to retool the reform bill to cover mesothelioma and other deadly illnesses. We are in the process of working it out.

I also thank my colleagues Senators LEAHY, FEINSTEIN, and CARPER for their work on this issue.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we thank the Senator from Pennsylvania for the alterations he has made to this amendment. It is acceptable on this side.

I ask unanimous consent we agree to the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. COBURN. I object.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment.

Mr. CONRAD. Mr. President, the Senator has reserved the right to object.

Mr. GREGG. Maybe we should move on.

The PRESIDING OFFICER. The Senator has objected.

Mr. SPECTER. Mr. President, it is agreeable with me to move on briefly.

Mr. GREGG. Mr. President, I ask unanimous consent that this amendment be set aside and that we move to the amendment from Senator GRAHAM, who would be next.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from South Carolina.

AMENDMENT NO. 478

Mr. GRAHAM. Mr. President, I call up amendment No. 478 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant journal clerk read as follows:

The Senator from South Carolina [Mr. GRAHAM] proposes an amendment numbered 478.

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

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

The amendment is as follows:

(Purpose: To extend the 35, 33, 28, and 25 percent income tax rate structure and protect nearly 28,000,000 families and individuals, including small business owners, from having their tax rates increase to 39.6, 36, 31, or 28 percent)

On page 3, line 14, decrease the amount by \$46,000,000,000.

On page 3, line 15, decrease the amount by \$66,900,000,000.

On page 3, line 23, decrease the amount by \$46,000,000,000.

On page 4, line 1, decrease the amount by \$66,900,000,000.

On page 4, line 9, increase the amount by \$1,081,000,000.

On page 4, line 10, increase the amount by \$3,785,000,000.

On page 4, line 18, increase the amount by \$1,081,000,000.

On page 4, line 19, increase the amount by \$3,785,000,000.

On page 5, line 2, increase the amount by \$47,081,000,000.

On page 5, line 3, increase the amount by \$70,685,000,000.

On page 5, line 10, increase the amount by \$47,081,000,000.

On page 5, line 11, increase the amount by \$117,766,000,000.

On page 5, line 18, increase the amount by \$47,081,000,000.

On page 5, line 19, increase the amount by \$117,766,000,000.

On page 25, line 24, increase the amount by \$1,081,000,000.

On page 25, line 25, increase the amount by \$1,081,000,000.

On page 26, line 3, increase the amount by \$3,785,000,000.

On page 26, line 4, increase the amount by \$3,785,000,000.

Mr. GRAHAM. Mr. President, this amendment extends the marginal tax rate relief first passed in 2001. We lowered taxes in 2001. Simply put, if you vote against this amendment, the tax rates will revert back to the 2001 levels. You would be voting to increase taxes on 28 million families and small businesses. You would be voting to increase taxes on small businesses, on an average, by more than \$3,600 per year. Mr. President, 78 percent of the benefit of this amendment goes to small business owners. I urge my colleagues to vote for this amendment. Tax policy in this country is about being globally competitive. We need to keep our tax rates down to keep our jobs in America. I urge everybody to vote for this amendment to make us competitive globally.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the fact is, none of those rates change until 2010, No. 1. No. 2, the Senator's amendment also would not have the effect described by the Senator. The effect the amendment would have is to reduce revenue by \$117 billion. It would put us back into deficit in 2012 by \$71 billion. This amendment is a budget buster.

I urge my colleagues to vote no.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the Graham amendment No. 478.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

Mr. MCCONNELL. The following Senator is necessarily absent: the Senator from Mississippi (Mr. LOTT).

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

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—46

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

NAYS—52

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

NOT VOTING—2

Johnson Lott

The amendment (No. 478) was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 490, AS MODIFIED

Mr. REID. Mr. President, I ask unanimous consent that amendment No. 490 previously agreed to be modified with the changes that are at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 490), as modified, is as follows:

At the end of title III, add the following:
SEC. ___ DEFICIT-NEUTRAL RESERVE FUND FOR ELIMINATING MILITARY RETIREMENT AND DISABILITY OFFSET.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that would expand eligibility for Combat-Related Special Compensation to permit additional disabled retirees to receive both disability compensation and retired pay, by the amounts provided by such legislation for that purpose, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

AMENDMENT NO. 613

Mr. GREGG. Mr. President, I ask unanimous consent that we agree to the Specter amendment No. 613 and the Thune amendment No. 465.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I want to be sure, regarding amendment No. 613, as modified, that the Senator from Oklahoma has withdrawn his objection that it be included in the amendment package.

Mr. CONRAD. Mr. President, let's make certain we have the modified version of the Specter amendment. So before we approve that, let me have a chance—it has gone through a number of modifications. Let's make sure the version at the desk is the version we have been advised is at the desk.

Mr. GREGG. That is correct.

Mr. CONRAD. OK. That is fine.

Mr. GREGG. I renew the request, Mr. President.

The PRESIDING OFFICER. Without objection, the Specter amendment, as modified, is agreed to.

The amendment (No. 613), as modified, was agreed to.

AMENDMENT NO. 465

The PRESIDING OFFICER. The Chair notes that amendment No. 465 has not yet been proposed.

Mr. GREGG. I ask that amendment No. 465 be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from South Dakota [Mr. THUNE] proposes an amendment numbered 465.

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

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

The amendment is as follows:

(Purpose: To provide for a budget point of order against legislation that increases income tax rates on small businesses, family farms, or family ranches)

At the end of title II, insert the following:
SEC. ____ . POINT OF ORDER AGAINST LEGISLATION THAT RAISES INCOME TAX RATES FOR SMALL BUSINESSES, FAMILY FARMS, OR FAMILY RANCHES.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, resolution, amendment, amendment between Houses, motion, or conference report that includes a Federal income tax rate increase on incomes generated by small businesses (within the meaning of section 474(c) of the Internal Revenue Code of 1986) or family farms or family ranches (within the meaning of section 2032A of such Code) (regardless of the manner by which such businesses, farms and ranches are organized). In this subsection, the term "Federal income tax rate increase" means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 11(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new percentage as a rate of tax and thereby increases the amount of tax imposed by any such section.

(b) SUPERMAJORITY WAIVER AND APPEAL.—

(1) WAIVER.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

Mr. GREGG. Mr. President, I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 465) was agreed to.

Mr. GREGG. I believe Senator GRASSLEY has the next amendment.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Do I have to wait for my amendment to be reported?

The PRESIDING OFFICER. The Senator may use his time and then call up the amendment.

AMENDMENT NO. 471

Mr. GRASSLEY. Mr. President, my amendment repeals the AMT. Except

for the telephone tax, the alternative minimum tax is the phoniest tax we have ever passed. The AMT, in 1969, was meant to hit 155 taxpayers who used legal means to avoid taxation, under the theory that everybody ought to pay some income tax.

This very year, more than 2,000 people who are very wealthy are not paying any income tax or alternative minimum income tax. So it is not even working and hitting the people it is supposed to hit. Right now, this year, 2007, the year we are in, there are 23 million families that are going to be hit by this tax. It is a phony revenue machine, over 5 years, \$467 billion dollars. We are going to have to have a point of order this year to keep these 23 million taxpayers from paying this tax. We might as well do away with it right now, once and for all, and be honest about it.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 471.

The amendment is as follows:

(Purpose: To amend the budget resolution for fiscal year 2008 in order to accommodate the full repeal of the Alternative Minimum Tax preventing 23 million families and individuals from being subject to the AMT in 2007, and millions of families and individuals in subsequent years)

On page 3 line 10, decrease the amount by \$30,700,000,000.

On page 3, line 11, decrease the amount by \$82,500,000,000.

On page 3, line 12, decrease the amount by \$96,300,000,000.

On page 3, line 13, decrease the amount by \$112,200,000,000.

On page 3, line 14, decrease the amount by \$93,900,000,000.

On page 3, line 15, decrease the amount by \$51,400,000,000.

On page 3, line 19, decrease the amount by \$30,700,000,000.

On page 3, line 20, decrease the amount by \$82,500,000,000.

On page 3, line 21, decrease the amount by \$96,300,000,000.

On page 3, line 22, decrease the amount by \$112,200,000,000.

On page 3, line 23, decrease the amount by \$93,900,000,000.

On page 4, line 1, decrease the amount by \$51,400,000,000.

On page 4, line 5, increase the amount by \$500,000,000.

On page 4, line 6, increase the amount by \$3,450,000,000.

On page 4, line 7, increase the amount by \$7,727,000,000.

On page 4, line 8, increase the amount by \$12,984,000,000.

On page 4, line 9, increase the amount by \$18,436,000,000.

On page 4, line 10, increase the amount by \$22,732,000,000.

On page 4, line 14, increase the amount by \$500,000,000.

On page 4, line 15, increase the amount by \$3,450,000,000.

On page 4, line 16, increase the amount by \$7,727,000,000.

On page 4, line 17, increase the amount by \$12,984,000,000.

On page 4, line 18, increase the amount by \$18,436,000,000.

On page 4, line 19, increase the amount by \$22,732,000,000.

On page 4, line 23, increase the amount by \$31,200,000,000.

On page 4, line 24, increase the amount by \$85,950,000,000.

On page 4, line 25, increase the amount by \$104,027,000,000.

On page 5, line 1, increase the amount by \$125,184,000,000.

On page 5, line 2, increase the amount by \$112,336,000,000.

On page 5, line 3, increase the amount by \$74,132,000,000.

On page 5, line 6, increase the amount by \$31,200,000,000.

On page 5, line 7, increase the amount by \$117,151,000,000.

On page 5, line 8, increase the amount by \$221,178,000,000.

On page 5, line 9, increase the amount by \$346,362,000,000.

On page 5, line 10, increase the amount by \$458,698,000,000.

On page 5, line 11, increase the amount by \$532,830,000,000.

On page 5, line 14, increase the amount by \$31,200,000,000.

On page 5, line 15, increase the amount by \$117,151,000,000.

On page 5, line 16, decrease the amount by \$221,178,000,000.

On page 5, line 17, increase the amount by \$346,362,000,000.

On page 5, line 18, increase the amount by \$458,698,000,000.

On page 5, line 19, increase the amount by \$532,830,000,000.

On page 25, line 8, increase the amount by \$500,000,000.

On page 25, line 9, increase the amount by \$500,000,000.

On page 25, line 12, increase the amount by \$3,450,000,000.

On page 25, line 13, increase the amount by \$3,450,000,000.

On page 25, line 16, increase the amount by \$7,727,000,000.

On page 25, line 17, increase the amount by \$7,727,000,000.

On page 25, line 20, increase the amount by \$12,984,000,000.

On page 25, line 21, increase the amount by \$12,984,000,000.

On page 25, line 24, increase the amount by \$18,436,000,000.

On page 25, line 25, increase the amount by \$18,436,000,000.

On page 26, line 3, increase the amount by \$22,732,000,000.

On page 26, line 4, increase the amount by \$22,732,000,000.

Mr. CONRAD. Mr. President, the reality of the budget resolution is this may not have anything to do with eliminating the alternative minimum tax. The one thing it will do is reduce the revenue of the Government over the next 5 years by \$533 billion, plunging us right back into deficit. Look, we can deal with the AMT. We have dealt with it in the underlying budget resolution for the next 2 years. There will be no increase in the number of people affected by the AMT for the next 2 years under the budget resolution, and that is paid for. Unfortunately, this amendment is not paid for. It would plunge us back into deficit. I urge my colleagues to vote no.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Mississippi (Mr. LOTT) and the Senator from Alabama (Mr. SESSIONS).

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

The result was announced—yeas 44, nays 53, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—44

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

NAYS—53

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

NOT VOTING—3

Johnson	Lott	Sessions
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The amendment (No. 471) was rejected.

Mr. CONRAD. Madam President, next, we are going to go to a Bingaman amendment. He will discuss it briefly, and we will have a colloquy.

I yield to Senator BINGAMAN.

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

AMENDMENT NO. 587, WITHDRAWN

Mr. BINGAMAN. Madam President, I call up amendment No. 587.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Ms. CANTWELL, Mr. SALAZAR, Mr. FEINGOLD, Mr. MENENDEZ, Mr. SANDERS, Mr. TESTER, Mr. BAUCUS, Mr. KERRY, Mrs. BOXER, Mr. DURBIN, and Ms. KLOBUCHAR, proposes an amendment numbered 587.

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

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

The amendment is as follows:

(Purpose: To prohibit the scoring of any amount realized from the sale or lease of land or interests in land that are part of the National Park System, the National Forest System, or the National Wildlife Refuge System)

On page 48, between lines 14 and 15, insert the following:

SEC. 210. PROHIBITION ON SCORING OF AMOUNTS FROM SALES OR LEASES OF CERTAIN FEDERAL LAND.

Any amount realized from the sale or lease of land or interests in land (other than a sale or lease authorized by statute, as of the date of adoption of this concurrent resolution by both Houses) that are part of the National Park System, the National Forest System, or the National Wildlife Refuge System shall not be scored with respect to the level of budget authority, outlays, or revenues.

Mr. BINGAMAN. Madam President, the purpose of this amendment is to take away any incentive to sell off our National Park System, or forests or wildlife system, by ensuring that we not count revenues from those sales in order to get a balanced budget. That is the idea behind it.

I am informed by the chairman of the Budget Committee that he would have to oppose the amendment in this form but he is not necessarily in disagreement about the purpose I am trying to accomplish. So I ask him his views on it before taking any further action.

Mr. CONRAD. Madam President, I would have to resist this amendment in its current form because it requires directed scoring. It requires the Congressional Budget Office to score something in a way mandated by Congress. I think that is a slippery slope. I don't think that is the way we want to go. We don't want to start requiring CBO to score things in a certain way. That would impede the impartiality of the CBO.

We are happy to work with the Senator to try to find other ways to address the concerns he has expressed in this amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, I am pleased that the amendment is going to be withdrawn. I will be happy to work with the chairman on this issue. I understand their concern. We should not be selling off our public land treasures for the purpose of balancing the budget. At the same time, if you sell a surplus vacant piece of property, should it not go in and be counted as revenue of our Government if it was once an asset? I think the answer is yes.

Mr. BINGAMAN. Madam President, this amendment would preclude the sale of National Park, National Wildlife Refuge and National Forest lands as a means of paying ongoing operating expenses of the Federal Government. The amendment would have reinstated the budget treatment of these land sales as it existed prior to 1995 and would preclude the sell-off of our national heritage to balance the budget.

On too many occasions over the past several Congresses, controversial land sales and leasing proposals have been advanced within the context of the

Federal budget process. These provisions have complicated the consideration of the budget and have frustrated the efforts of the Energy and Natural Resources Committee to ensure responsible stewardship of our Federal lands.

I understand that the chairman of the Budget Committee has concerns about changing the scoring rules in the context of this budget resolution. I have agreed to withdraw my amendment, with the understanding that the chairman of the Budget Committee will work with me and with the leadership of the Congressional Budget Office to address this important issue during the course of this year. It is my hope and expectation that this serious problem can be addressed prior to consideration of the next budget resolution. I ask unanimous consent that several letters in support of the amendment be printed in the RECORD.

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

BACKCOUNTRY HUNTERS AND ANGLERS, BERKLEY CONSERVATION INSTITUTE, IZAAK WALTON LEAGUE OF AMERICA, NATIONAL WILDLIFE FEDERATION, ORION—THE HUNTERS INSTITUTE, TROUT UNLIMITED,

March 21, 2007.

DEAR SENATOR: On behalf of the undersigned organizations and the millions of hunters, anglers and outdoor enthusiasts we represent, we urge you to support an amendment that Senator Jeff Bingaman (D-N.M.) will offer to the Senate Budget Resolution this week to prohibit the scoring for budget purposes of revenues associated with the sale of public lands.

In recent years the budget and reconciliation process has been abused to promote the sale of public lands and interests in public lands under the guise of deficit reduction. Last Congress, the House passed a reconciliation bill that included a mining law measure which would have resulted in a fire sale of millions of acres of our public lands. A draft of the same bill included a provision to sell off units of the National Park System such as Theodore Roosevelt Island. The President's budget proposals in Fiscal Years 2007 and 2008 included the sale of nearly \$1 billion of lands managed by the U.S. Forest Service and the Bureau of Land Management. These controversial measures require a fair and open debate and are not appropriate to be considered in the budget process.

Millions of Americans enjoy hunting, fishing and the many other recreational opportunities that our magnificent public lands provide. It is irresponsible to sell our cherished public lands and interests in lands to balance the federal budget. Our public lands are a legacy for future generations that must be conserved. Unfortunately current budget rules provide an incentive to sell public lands for short-term revenues.

Budget reconciliation procedures are inappropriate for legislation regarding public lands sales and leasing. Senator Bingaman's amendment would reinstate the rule on the sale of assets as it applied to federal lands from 1987 through 1995. We respectfully urge you to stand for our public lands by supporting Senator Bingaman's amendment to the Budget Resolution.

Sincerely,

JIM LYON,
Senior Vice President
for Conservation,
National Wildlife
Federation.

CHRIS WOOD,
Vice President for
Conservation, Trout
Unlimited.

JIM POSEWITZ,
Executive Director,
Orion—The Hunters
Institute.

STEVEN K. KLEIN,
Associate Conservation
Director, Izaak Wal-
ton League of Amer-
ica.

JIM MARTIN,
Conservation Director,
Berkley Conserva-
tion Institute.

MIKE BEAGLE,
Chairman,
Backcountry Hunt-
ers and Anglers.

ALASKA WILDERNESS LEAGUE,
AMERICAN LANDS ALLIANCE, DE-
FENDERS OF WILDLIFE, EARTH
JUSTICE, EARTHWORKS, LEAGUE OF
CONSERVATION VOTERS, NATIONAL
ENVIRONMENTAL TRUST, NATURAL
RESOURCES DEFENSE COUNCIL, SI-
ERRA CLUB, THE WILDERNESS SO-
CIETY,

March 21, 2007.

DEAR SENATOR: We write today to urge your support for Senator Bingaman's amendment to the FY2008 Budget Resolution to protect important land resources administered by the National Park Service, the Fish and Wildlife Service and the Forest Service.

Senator Bingaman's amendment would reinstate the rule on the sale of assets as it applied to these lands from 1987 through 1995, and in so doing, would prohibit the scoring of revenues from the sale or lease of certain Federal lands or interests in lands. It is our hope that this change will bring an end to what has become an all-too-frequent push to parcel off and dispose of the nation's priceless natural resources and use the projected revenues as an offset during the budget debate.

The budget and reconciliation process has been used to promote the sale of public lands and interests in public lands under the guise of deficit reduction. For example, oil and gas leasing on the Arctic National Wildlife Refuge has been proposed as part of the budget reconciliation process, as have the sales of National Park System units and so-called mining law "reforms" to sell off vast tracts of public lands. In addition, the Administration has—for two years running—pressed proposals to sell huge acreages of public lands as part of its yearly budget package.

The outcry generated by these proposals could not have been clearer: The American public values its land heritage and expects members of Congress to act as stewards of these irreplaceable resources. We believe that most Americans would consider it irresponsible to sell off their homes and investments to cover household operating expenses, but the current budget scoring rules encourage Congress to do just that. Senator Bingaman's amendment would remove that incentive and move the consideration of important public land management policies out of the budget venue and back to the committees of jurisdiction.

Thanks to the foresight of preservation pioneers such as Teddy Roosevelt and a continuing tradition of conservation, this generation has inherited a rich natural heritage. We urge you to stand up for that heritage and to join Senator Bingaman with a vote to protect public lands.

MARCH 21, 2007.

DEAR SENATOR: During consideration of the Budget Resolution on the Senate floor this

week, Senator Bingaman plans to offer an amendment to prohibit scoring of revenue from the sale or lease of federal lands which are part of the National Park System, National Forest system or the U.S. Fish and Wildlife Service refuge system. We urge you to support Senator Bingaman's amendment.

Over the past several years, various ideas about gaining revenue by selling federal land have surfaced in the budget and reconciliation process. Thankfully, these proposals have generally met with stiff opposition from Members of Congress on both sides of the aisle. Clearly, selling off public assets to obtain a one-time credit toward reducing the deficit is bad public policy; but the possibility of addressing the deficit by selling pieces of the National Park System—places set aside by Congress as the most important examples of our natural and cultural heritage, and the part of the federal government most highly valued by the American people—is simply indefensible.

As unlikely as it might appear, there have been such poorly conceived proposals to sell off some of our most precious national treasures for budget purposes as recently as in the 109th Congress. In light of these attempts to pursue such ill-advised and untenable approaches to deficit reduction, it is imperative that Congress makes clear such options are foreclosed. By returning to the rule followed under previous budget resolutions, that is what Senator Bingaman's amendment will do.

Again, we urge you to support Senator Bingaman's amendment. NPCA considers this a significant vote to protect America's priceless heritage found in our national parks, and may use it in our biennial "Friend of the National Parks" scorecard for the 110th Congress.

Sincerely,

THOMAS C. KIERNAN,
President, National Parks Conservation.

Mr. BINGAMAN. Madam President, in light of the position of the chairman of the Budget Committee, I will withdraw the amendment and work with him in the coming months to see if we can get this issue addressed in another way so we don't have this incentive—not for the sale of all lands, of course, but for the sale of these particular lands to which we give a special designation.

With that, I withdraw amendment No. 587.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CONRAD. Madam President, Senator DEMINT is next.

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

AMENDMENT NO. 578

Mr. DEMINT. Madam President, I call up amendment No. 578.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from South Carolina [Mr. DEMINT], for himself, and Mr. KYL, proposes an amendment numbered 578.

The amendment is as follows:

(Purpose: To repeal the death tax)

On page 3, line 11, decrease the amount by \$2,100,000,000.

On page 3 line 12, decrease the amount by \$1,400,000,000.

On page 3, line 13, decrease the amount by \$2,900,000,000.

On page 3, line 14, decrease the amount by \$35,000,000,000.

On page 3, line 15, decrease the amount by \$31,000,000,000.

On page 3, line 20, decrease the amount by \$2,100,000,000.

On page 3 line 21, decrease the amount by \$1,400,000,000.

On page 3, line 22, decrease the amount by \$2,900,000,000.

On page 3, line 23, decrease the amount by \$35,000,000,000.

On page 4, line 1, decrease the amount by \$31,000,000,000.

On page 4, line 6, increase the amount by \$50,000,000.

On page 4, line 7, increase the amount by \$133,000,000.

On page 4, line 8, increase the amount by \$240,000,000.

On page 4, line 9, increase the amount by \$1,142,000,000.

On page 4, line 10, increase the amount by \$2,747,000,000.

On page 4, line 15, increase the amount by \$50,000,000.

On page 4, line 16, increase the amount by \$113,000,000.

On page 4, line 17, increase the amount by \$240,000,000.

On page 4, line 18, increase the amount by \$1,142,000,000.

On page 4, line 19, increase the amount by \$2,747,000,000.

On page 4, line 24, increase the amount by \$2,150,000,000.

On page 4, line 25, increase the amount by \$1,533,000,000.

On page 5, line 1, increase the amount by \$3,140,000,000.

On page 5, line 2, increase the amount by \$36,142,000,000.

On page 5, line 3, increase the amount by \$33,747,000,000.

On page 5, line 7, increase the amount by \$2,150,000,000.

On page 5, line 8, increase the amount by \$3,683,000,000.

On page 5, line 9, increase the amount by \$6,823,000,000.

On page 5, line 10, increase the amount by \$42,966,000,000.

On page 5, line 11, increase the amount by \$76,713,000,000.

On page 5, line 15, increase the amount by \$2,150,000,000.

On page 5, line 16, increase the amount by \$3,683,000,000.

On page 5, line 17, increase the amount by \$6,823,000,000.

On page 5, line 18, increase the amount by \$42,966,000,000.

On page 5, line 19, increase the amount by \$76,713,000,000.

On page 25, line 12, increase the amount by \$50,000,000.

On page 25, line 13, increase the amount by \$50,000,000.

On page 25, line 16, increase the amount by \$133,000,000.

On page 25, line 17, increase the amount by \$133,000,000.

On page 25, line 20, increase the amount by \$240,000,000.

On page 25, line 21, increase the amount by \$240,000,000.

On page 25, line 24, increase the amount by \$1,142,000,000.

On page 25, line 25, increase the amount by \$1,142,000,000.

On page 26, line 3, increase the amount by \$2,747,000,000.

On page 26, line 4, increase the amount by \$2,747,000,000.

Mr. DEMINT. Madam President, we have had several votes regarding the death tax today. Some have reduced it a little bit. We have gotten into a lot of details about who would win and who would lose.

My amendment would eliminate the death tax, would continue what we will achieve in 2010. This Congress voted to phase out the death tax. In 2010, it will be gone. My amendment will keep it that way throughout the budget process.

I believe, as many do, this is the most immoral and un-American tax we can possibly have in this country. Yesterday, I was distressed to hear colleagues on the other side were concerned that some children might inherit wealth from a family farm or business they didn't earn. Yet we say the Government earned it even though these businesses have already paid taxes on their profit, payroll, sales taxes, and property taxes throughout the person's life.

We need to eliminate this death tax. It is un-American. This is our opportunity to vote for it today.

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

Mr. CONRAD. Madam President, I urge colleagues to resist this amendment. If we want to blow a hole in the budget, this is the way to do it. We have already addressed dramatic, important estate tax reform. This completely eliminates the estate tax and blows a total hole in the budget.

I urge my colleagues to vote no.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CONRAD. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—44

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

NAYS—55

Akaka	Clinton	Klobuchar
Baucus	Collins	Kohl
Bayh	Conrad	Landrieu
Biden	Dodd	Lautenberg
Bingaman	Dorgan	Leahy
Boxer	Durbin	Levin
Brown	Feingold	Lieberman
Byrd	Feinstein	Lincoln
Cantwell	Harkin	McCaskill
Cardin	Inouye	Menendez
Carper	Kennedy	Mikulski
Casey	Kerry	Murray

Nelson (FL)	Salazar	Voinovich
Nelson (NE)	Sanders	Warner
Obama	Schumer	Webb
Pryor	Snowe	Whitehouse
Reed	Stabenow	Wyden
Reid	Stevens	
Rockefeller	Tester	

NOT VOTING—1

Johnson

The amendment (No. 578) was rejected.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 529

Mr. BIDEN. Mr. President, I send amendment No. 529 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] proposes an amendment numbered 529.

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

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

The amendment is as follows:

(Purpose: To increase funding for the COPS Program to \$1.15 billion for FY 2008 to provide state and local law enforcement with critical resources necessary to prevent and respond to violent crime and acts of terrorism and is offset by an unallocated reduction to non-defense discretionary spending and/or reduction to administrative expenses)

On page 23, line 12, increase the amount by \$598,000,000.

On page 23, line 13, increase the amount by \$72,000,000.

On page 23, line 17, increase the amount by \$167,000,000.

On page 23, line 21, increase the amount by \$150,000,000.

On page 23, line 25, increase the amount by \$120,000,000.

On page 24, line 4, increase the amount by \$90,000,000.

On page 26, line 12, decrease the amount by \$598,000,000.

On page 26, line 13, decrease the amount by \$72,000,000.

On page 26, line 17, decrease the amount by \$167,000,000.

On page 26, line 21, decrease the amount by \$150,000,000.

On page 26, line 25, decrease the amount by \$120,000,000.

On page 27, line 4, decrease the amount by \$90,000,000.

Mr. BIDEN. Mr. President, this amendment reinstates the COPS Program. I remind everyone, when the COPS Program was functioning, violent crime in America reduced 8.5 percent a year for 7 years in a row.

Mr. President, throughout the 1990s, we funded the COPS Program at roughly \$1.2 billion, and it drove down crime. Now crime is rising again. In every one of our States it is up. Violent crime is up across the board. The Police Investigative Research Forum released a report which found that murders were up 10.6 percent in 2004.

The COPS Program in the crime bill worked, and the Government Accounting Office found a statistical link between the COPS grants and a reduction in crime. The Brookings Institution re-

ported the COPS Program is one of the most cost-effective programs we have ever had in this country. Local officials urgently need this support.

Mr. President, I ask unanimous consent that the following Senators be added as cosponsors: LIEBERMAN, CLINTON, SALAZAR, OBAMA, KOHL, HARKIN, BOXER, KERRY, WHITEHOUSE, DORGAN, DODD, SCHUMER, and all Democrats on this side.

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

Mr. GREGG. Mr. President, the COPS Program has some history here. It was started by President Clinton. His position was, and he asked for, 100,000 police officers. He said that when we got to 100,000, the program would stop. We got to 110,000 police officers and the program continues on and on and on.

This program should have ended 5 years ago or 6 years ago, but it continues. It is similar to so many Federal programs that get constituencies that go on well past what their original purpose was. It may be well intentioned, but we cannot afford it and we shouldn't continue it. It was never thought it would be continued this long.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

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

The result was announced—yeas 65, nays 33, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—65

Akaka	Feinstein	Nelson (FL)
Baucus	Grassley	Nelson (NE)
Bayh	Harkin	Obama
Biden	Hatch	Pryor
Bingaman	Hutchison	Reed
Boxer	Inouye	Reid
Brown	Kennedy	Roberts
Burr	Kerry	Rockefeller
Byrd	Klobuchar	Salazar
Cantwell	Kohl	Sanders
Cardin	Landrieu	Schumer
Carper	Lautenberg	Smith
Casey	Leahy	Snowe
Clinton	Levin	Specter
Coleman	Lieberman	Stabenow
Collins	Lincoln	Tester
Conrad	McCaskill	Thune
Corker	McConnell	Vitter
Dodd	Menendez	Voinovich
Dorgan	Mikulski	Whitehouse
Durbin	Murkowski	Wyden
Feingold	Murray	

NAYS—33

Alexander	Bunning	Craig
Allard	Chambliss	Crapo
Bennett	Coburn	DeMint
Bond	Cochran	Dole
Brownback	Cornyn	Domenici

Ensign	Isakson	Shelby
Enzi	Kyl	Stevens
Graham	Lott	Sununu
Gregg	Lugar	Thomas
Hagel	Martinez	Warner
Inhofe	Sessions	Webb

NOT VOTING—2

Johnson McCain

The amendment (No. 529) was agreed to.

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

AMENDMENT NO. 530

Mr. GREGG. Mr. President, at this time, I believe we can agree by unanimous consent to the DeMint amendment, as modified, amendment No. 530, which deals with Social Security.

Mr. CONRAD. Mr. President, that amendment is acceptable on this side.

Mr. GREGG. Do you have the modification at the desk?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, they are now telling us we may not have seen the modification.

Mr. DEMINT. The amendment has not been modified.

Mr. CONRAD. It has not been modified.

Mr. DEMINT. It is the same amendment.

Mr. CONRAD. So let's just be clear. It is not modified. It is the amendment that was previously at the desk.

I thank the Chair, and I thank the Senator.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 530.

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

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

The amendment is as follows:

(Purpose: To clarify the point of order to save Social Security first, not discretionary spending)

On page 47, line 25, strike "direct spending" and all that follows through "or revenue" on page 48, line 1.

Mr. CONRAD. I ask unanimous consent that we agree to the amendment.

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

The amendment (No. 530) was agreed to.

AMENDMENT NO. 534

Mr. GREGG. Senator DEMINT has another amendment.

The PRESIDING OFFICER. The Senator from South Carolina,

Mr. DEMINT. I call up amendment No. 534, hoping I have the number right this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment No. 534.

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

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

The amendment is as follows:

(Purpose: To prevent the adding of earmarks for spinach producers to an emergency war supplemental appropriations bill)

On page 34, line 9, before the period at the end, insert the following: " , except that the authority to designate shall not apply to funding for spinach producers on a supplemental appropriations bill pursuant to subsection (f)(1) that is designated to supplement funding for ongoing combat operations".

Mr. DEMINT. Mr. President, this amendment really is symbolic of a lot of the things we are trying to work on. What it does is it focuses on extraneous funding that is directed toward supplemental spending bills, supplemental funding for combat operation spending, which we expect to be coming over from the House.

There are dozens and dozens of non-defense-related earmarks on this bill. We had a number of amendments which we have agreed not to vote on, but just to vote on this one to make the point. We should not be adding \$20 billion of extra spending on an emergency bill for our combat operations. We certainly should not be adding \$25 million for spinach growers. This amendment would eliminate, as part of our budget process, the accepting of spending for spinach in relation to emergency supplemental spending for combat operations.

Mr. GREGG. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I ask that we just accept this amendment.

The PRESIDING OFFICER. All time is yielded back.

Without objection, the amendment is agreed to.

The amendment (No. 534) was agreed to.

AMENDMENT NO. 594, AS MODIFIED

Mr. GREGG. We are now to Senator BUNNING.

Mr. BUNNING. Mr. President, I send a modification of amendment No. 594 to the desk. I add as cosponsors Senator GRASSLEY and Senator MCCONNELL.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING], for himself, Mr. GRASSLEY and Mr. MCCONNELL, proposes an amendment numbered 594, as modified.

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

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

The amendment is as follows:

(Purpose: To provide a deficit-neutral reserve fund for protecting State flexibility in Medicaid)

At the appropriate place, insert the following:

SEC. ____ DEFICIT-NEUTRAL RESERVE FUND FOR PROTECTING STATE FLEXIBILITY IN MEDICAID.

If the Committee on Finance reports a bill or joint resolution, if an amendment is of-

fered thereto, or if a conference report is submitted thereon, that implements improvements to Medicare, Medicaid, or the State Children's Health Insurance Program, but that does not reduce the ability of States to provide coverage to Medicaid recipients through flexible benefit options that provide greater opportunities to provide health benefits coverage for Medicaid recipients, or alter the guarantee in section 1937 of the Social Security Act of coverage of early and periodic screening, diagnostic, and treatment services for children, then, provided that the Committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2008 and the period of fiscal years 2008 through 2012.

Mr. BUNNING. My amendment is very simple. It gives Members a chance to go on record about supporting States' flexibility in Medicaid which Congress provided under the Deficit Reduction Act. My State and several others have already used this flexibility to improve their Medicaid programs. A vote for my amendment supports allowing States to designate benefits that fit the specific needs of their State and population. A vote against it is support of a one-size-fits-all model for Medicaid.

Some people have tried to say this amendment tries to undercut the mandatory child care benefits under Medicaid. That is not true and could not be further from the truth. In fact, the amendment we are voting on clarifies that legislation could not alter Medicaid's mandatory coverage benefits for children.

Mr. GRASSLEY. Mr. President, I want to lend my support to the Bunning amendment No. 594.

In the Deficit Reduction Act of 2005, we gave the States the ability to create flexible benefit plans. Section 6044 of the Deficit Reduction Act established a new section 1937 in title XIX, which allows States the option to provide a benefit package that meets a benchmark standard or benchmark equivalent standard of coverage for certain Medicaid beneficiaries. Under this section, States are required to provide Early and Periodic Screening Diagnostic and Treatment, EPSDT, services to children enrolled in benchmark coverage or benchmark equivalent coverage.

Specifically, section 1937(a)(1)(A) contained two related provisions. First, section 1937(a)(1)(A)(i), provides that States choosing to provide coverage under this section must provide benchmark coverage or benchmark equivalent coverage in the case of beneficiaries for whom a benchmark is an option. Second, section 1937(a)(1)(A)(ii), provides that in the case of children under age 19 receiving benchmark coverage or benchmark equivalent coverage, States must cover "wrap-around" benefits to the benchmark

coverage or benchmark equivalent coverage consisting of EPSDT services and benefits specified in section 1905(r). In other words, an EPSDT “wraparound” consisting of all benefits and services enumerated in section 1905(r) is a requirement for States electing the benchmark option or benchmark equivalent coverage. The use of the term “wraparound” in this section should not be confused with the optional “wraparound” flexibility afforded states under section 1937(a)(1)(C). This section allows States to offer one or more “wraparound” benefits to enrollees, who otherwise would be limited to benchmark or benchmark equivalent coverage. EPSDT is not made optional but remains a required benefit.

On March 31, 2006, the Center for Medicare and Medicaid Services, CMS, issued guidance to states in a Dear State Medicaid Director letter on the implementation of the benchmark coverage. The CMS letter stated the following:

Individuals under age 19 who are covered under the State plan under section 1902(a)(10)(A) of the Act must receive wrap-around benefits to the benchmark, or benchmark-equivalent plan, consisting of early and periodic screening, diagnostic, and treatment (EPSDT) services defined in section 1905(r). Wrap-around benefits must be sufficient so that, in combination with the benchmark or benchmark-equivalent benefits package, these individuals receive the full EPSDT benefit. The State plan must include a description of how wrap-around benefits or additional services will be provided to ensure that these beneficiaries receive full EPSDT services.

It is my belief that the requirement of the provision of EPSDT to all children receiving benefits through a benchmark benefit package is a settled issue, both as a matter of law and of implementation of the law.

Giving States the ability to design benefit packages that are appropriate to the people receiving the benefits is key to Medicaid’s future. The purpose of this important provision is to free States from a one-size-fits-all approach to Medicaid. Several States, including Kentucky, West Virginia, Idaho and Kansas, are taking the lead with these innovative plans to cover Medicaid recipients. We should resist any effort to limit the ability of the States to develop and implement these flexible, benchmark benefit plans. This flexibility will strengthen the long-term viability of the Medicaid Program and thereby protects coverage for low income children, pregnant women and families.

A vote against the Bunning amendment is a vote against the tools that States desperately need to manage their Medicaid Program. To me, the vote here is obvious. Vote to protect the Medicaid Program and state flexibility in Medicaid. Vote to protect the EPSDT benefit for children. Vote for the Bunning amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this amendment does undermine the basis

of Medicaid today, which is “medically necessary services.” The effect of this amendment is to allow States to lower health care coverage for low-income kids. That is the effect of this amendment. Why do States want more flexibility, especially with respect to this program? So basically they can lower benefits. They can save money. There has been a longstanding principle under Medicaid that Medicaid should provide medically necessary services, such as immunizations or checkups, to low-income kids, and that is the basis. We have to keep it. The effect of this amendment is to undermine that. If we stand for anything here, it is making sure low-income kids do not have less health care benefits, at least. They should have more. This amendment would undermine that and allow States to have lower benefits for kids, and for that reason it should be rejected.

Mr. GRASSLEY. Mr. President, do we have any time on this side?

The PRESIDING OFFICER. No.

Mr. GREGG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

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

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—44

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

NAYS—55

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

NOT VOTING—1

Johnson

The amendment (No. 594) as modified, was rejected.

AMENDMENT NO. 536

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CHAMBLISS. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. CHAMBLISS] proposes an amendment numbered 536.

Mr. CHAMBLISS. Mr. President, I ask that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide a deficit-neutral reserve fund for the reauthorization of the State Children’s Health Insurance Program (SCHIP) that eliminates enhanced Federal matching payments for coverage of non-pregnant adults and permits States to offer supplemental dental and mental health benefits for children enrolled in SCHIP)

At the appropriate place, insert the following:

SEC. ____ DEFICIT-NEUTRAL RESERVE FUND FOR REAUTHORIZATION OF THE STATE CHILDREN’S HEALTH INSURANCE PROGRAM (SCHIP).

If the Committee on Finance reports a bill or joint resolution, if an amendment is offered thereto, or if a conference report is submitted thereon, that provides for reauthorization of the State Children’s Health Insurance Program (SCHIP), eliminates enhanced Federal matching payments for health benefits coverage under SCHIP of nonpregnant adults, and permits States to offer supplemental dental and mental health benefits for children enrolled in SCHIP, then, provided that the Committee is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974, the Chairman of the Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation, provided that such legislation would not increase the deficit for fiscal year 2008 and the period of fiscal years 2008 through 2012.

Mr. CHAMBLISS. Mr. President, this is an amendment that relates to the SCHIP program we enacted 10 years ago that is designed to cover uninsured children.

Today there are 12 States that cover nonpregnant adults with SCHIP funding. CBO has estimated that eliminating the differential match on non-pregnant adults saves \$400 million over 5 years, and \$900 million over 10 years. This is a program for children, not adults.

I yield the rest of my time to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. ISAKSON. Mr. President, this is budget neutral and kid friendly. It allows children to have access to health care and dentistry, and health care and mental health. It is a positive move at

the expense of no one and for the benefit of children.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, the underlying budget resolution expands SCHIP coverage. This amendment goes the other direction; it restricts coverage. It creates a false choice saying we will take away here, we will give there. The net effect of it is it restricts coverage for kids.

It is similar to—it is not exactly the same as, but it is similar to the Cornyn amendment on SCHIP, which we defeated with a vote of 38 to 59.

The long and short of it is, this does restrict SCHIP benefits. I urge us not to go in the direction of restricting SCHIP coverage. I want to actually go in the other direction and expand. I urge that we not adopt this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 536.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—44

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

NAYS—55

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

NOT VOTING—1

Johnson

The amendment (No. 536) was rejected.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 522

Mr. CONRAD. Mr. President, the next amendment is the Coleman amendment.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Mr. President, I call up amendment No. 522.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. COLEMAN] offers an amendment numbered 522.

The amendment is as follows:

(Purpose: To extend a provision allowing veterans to qualify for low interest mortgage programs)

On page 3, line 11, decrease the amount by \$1,000,000.

On page 3, line 12, decrease the amount by \$6,000,000.

On page 3, line 13, decrease the amount by \$14,000,000.

On page 3, line 14, decrease the amount by \$22,000,000.

On page 3, line 15, decrease the amount by \$30,000,000.

On page 3, line 20, decrease the amount by \$1,000,000.

On page 3, line 21, decrease the amount by \$6,000,000.

On page 3, line 22, decrease the amount by \$14,000,000.

On page 3, line 23, decrease the amount by \$22,000,000.

On page 4, line 1, decrease the amount by \$30,000,000.

On page 4, line 8, increase the amount by \$1,000,000.

On page 4, line 9, increase the amount by \$2,000,000.

On page 4, line 10, increase the amount by \$3,000,000.

On page 4, line 17, increase the amount by \$1,000,000.

On page 4, line 18, increase the amount by \$2,000,000.

On page 4, line 19, increase the amount by \$3,000,000.

On page 4, line 24, increase the amount by \$1,000,000.

On page 4, line 25, increase the amount by \$6,000,000.

On page 5, line 1, increase the amount by \$15,000,000.

On page 5, line 2, increase the amount by \$24,000,000.

On page 5, line 3, increase the amount by \$33,000,000.

On page 5, line 7, increase the amount by \$1,000,000.

On page 5, line 8, increase the amount by \$7,000,000.

On page 5, line 9, increase the amount by \$22,000,000.

On page 5, line 10, increase the amount by \$45,000,000.

On page 5, line 11, increase the amount by \$78,000,000.

On page 5, line 15, increase the amount by \$1,000,000.

On page 5, line 16, increase the amount by \$7,000,000.

On page 5, line 17, increase the amount by \$22,000,000.

On page 5, line 18, increase the amount by \$45,000,000.

On page 5, line 19, increase the amount by \$78,000,000.

On page 25, line 20, increase the amount by \$1,000,000.

On page 25, line 21, increase the amount by \$1,000,000.

On page 25, line 24, increase the amount by \$2,000,000.

On page 25, line 25, increase the amount by \$2,000,000.

On page 26, line 3, increase the amount by \$3,000,000.

On page 26, line 4, increase the amount by \$3,000,000.

Mr. COLEMAN. Mr. President, this amendment deals with veterans. Many States have first-time home-buy programs. They have tax-exempt programs that allow people of low income to get access to mortgages at low interest rates. By the wisdom of the Congress in 2006, the Tax Relief and Health Care Act of 2006 allowed veterans to participate, even if they are not first-time home buyers. It is a benefit that expires January 1, 2008. It allows veterans to participate in first-time home buyer mortgage programs, even if they are not a first-time home buyer. This is not the time to cut benefits for our returning heroes. I hope my colleagues agree.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent to accept the Coleman amendment.

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

The amendment (No. 522) was agreed to.

AMENDMENT NO. 606

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. The next amendment is the Lott amendment.

Mr. LOTT. Mr. President, I call up amendment No. 606.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment number 606.

The amendment is as follows:

(Purpose: To repeal section 13203 of the Omnibus Budget Reconciliation Act of 1993 by restoring the Alternative Minimum Tax rates that had been in effect prior thereto)

On page 3, line 10, decrease the amount by \$13,800,000,000.

On page 3, line 11, decrease the amount by \$36,600,000,000.

On page 3, line 12, decrease the amount by \$41,700,000,000.

On page 3, line 13, decrease the amount by \$46,900,000,000.

On page 3, line 14, decrease the amount by \$39,300,000,000.

On page 3, line 15, decrease the amount by \$23,900,000,000.

On page 3, line 19, decrease the amount by \$13,800,000,000.

On page 3, line 20, decrease the amount by \$36,600,000,000.

On page 3, line 21, decrease the amount by \$41,700,000,000.

On page 3, line 22, decrease the amount by \$46,900,000,000.

On page 3, line 23, decrease the amount by \$39,300,000,000.

On page 3, line 24, decrease the amount by \$23,900,000,000.

On page 4, line 5, increase the amount by \$225,000,000.

On page 4, line 6, increase the amount by \$1,539,000,000.

On page 4, line 7, increase the amount by \$3,413,000,000.

On page 4, line 8, increase the amount by \$5,653,000,000.

On page 4, line 9, increase the amount by \$7,944,000,000.

On page 4, line 10, increase the amount by \$9,809,000,000.

On page 4, line 14, increase the amount by \$225,000,000.

On page 4, line 15, increase the amount by \$1,539,000,000.

On page 4, line 16, increase the amount by \$3,413,000,000.

On page 4, line 17, increase the amount by \$5,653,000,000.

On page 4, line 18, increase the amount by \$7,944,000,000.

On page 4, line 19, increase the amount by \$9,809,000,000.

On page 4, line 23, increase the amount by \$14,025,000,000.

On page 4, line 24, increase the amount by \$38,139,000,000.

On page 4, line 25, increase the amount by \$45,113,000,000.

On page 5, line 1, increase the amount by \$52,553,000,000.

On page 5, line 2, increase the amount by \$47,244,000,000.

On page 5, line 3, increase the amount by \$33,709,000,000.

On page 5, line 6, increase the amount by \$14,025,000,000.

On page 5, line 7, increase the amount by \$52,164,000,000.

On page 5, line 8, increase the amount by \$97,278,000,000.

On page 5, line 9, increase the amount by \$149,831,000,000.

On page 5, line 10, increase the amount by \$197,075,000,000.

On page 5, line 11, increase the amount by \$230,784,000,000.

On page 5, line 14, increase the amount by \$14,025,000,000.

On page 5, line 15, increase the amount by \$52,164,000,000.

On page 5, line 16, increase the amount by \$97,278,000,000.

On page 5, line 17, increase the amount by \$149,831,000,000.

On page 5, line 18, increase the amount by \$197,075,000,000.

On page 5, line 19, increase the amount by \$230,784,000,000.

On page 25, line 8, increase the amount by \$225,000,000.

On page 25, line 9, increase the amount by \$225,000,000.

On page 25, line 12, increase the amount by \$1,539,000,000.

On page 25, line 13, increase the amount by \$1,539,000,000.

On page 25, line 16, increase the amount by \$3,413,000,000.

On page 25, line 17, increase the amount by \$3,413,000,000.

On page 25, line 20, increase the amount by \$5,653,000,000.

On page 25, line 21, increase the amount by \$5,653,000,000.

On page 25, line 24, increase the amount by \$7,944,000,000.

On page 25, line 25, increase the amount by \$7,944,000,000.

On page 26, line 3, increase the amount by \$9,809,000,000.

On page 26, line 4, increase the amount by \$9,809,000,000.

Mr. LOTT. Mr. President, this amendment would repeal the 1993 AMT tax increase that generally increased the AMT rates from 24 percent to a two-tiered 26 and 28 percent. This is one last opportunity on this resolution to correct the mistake we made in 1993,

which began in 1969 with the so-called alternative minimum tax. This was the guarantee that the wealthy paid their fair share, ostensibly, but it has morphed into a terrible tax on the middle class. This is not a full repeal like the earlier amendment. This is the one that actually addresses the problem we created in 1993, the creeping rate increase that went from 24 to 26 percent. I urge colleagues to take this action to effectively deal with the AMT problem.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me alert colleagues, if this amendment is adopted, we will be here until 2 o'clock this morning. I hope that sobers everybody's consideration on this matter.

On a serious note, the Lott amendment blows a hole in the budget because it is not paid for. It is not offset, \$231 billion not paid for. I urge colleagues to vote no. Let's not give up the gains we have made in these hours of work to balance the budget by 2012. Please, reject the Lott amendment.

Mr. GREGG. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 606.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

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

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—49

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

NAYS—50

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

Stabenow	Voinovich	Whitehouse
Tester	Webb	Wyden

NOT VOTING—1

Johnson

The amendment (No. 606) was rejected.

Mr. DURBIN. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I have another package of cleared amendments that Senator GREGG and I have agreed to.

AMENDMENT NO. 638

Mr. CONRAD. Mr. President, I ask unanimous consent that the Gregg-Conrad amendment No. 638 be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 638) was agreed to, as follows:

(Purpose: To create a point of order against increasing mandatory spending in appropriation bills)

At the end of Title II insert the following:
SEC. POINT OF ORDER AGAINST PROVISIONS OF APPROPRIATIONS LEGISLATION THAT CONSTITUTES CHANGES IN MANDATORY PROGRAMS WITH NET COSTS.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any appropriations legislation, including any amendment thereto, motion in relation thereto, or conference report thereon, which includes one or more provisions that would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) were they included in legislation other than appropriations legislation, if such provision has a net cost over the total of the period of the current year, the budget year, and all fiscal years covered under the most recently adopted concurrent resolution on the budget.

(b) DETERMINATION.—For purposes of this section, the determination of whether a provision violates paragraph (a) shall be made by the Committee on the Budget of the Senate.

(c) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. 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 section.

(d) GENERAL POINT OF ORDER.—It shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment, motion, or conference report violate this section. The Presiding Officer may sustain the point of order as to

some or all of the provisions against which the Senator raised the point of order. If the Presiding Officer so sustains the point of order as to some of the provisions (including provisions of an amendment, motion, or conference report) against which the Senator raised the point of order, then only those provisions (including provision of an amendment, motion, or conference report) against which the Presiding Officer sustains the point of order shall be deemed stricken pursuant to this section. Before the Presiding Officer rules on such a point of order, any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with rules and precedents of the Senate. After the Presiding Officer rules on such a point of order, any Senator may appeal the ruling of the Presiding Officer on such a point of order as it applies to some or all of the provisions on which the Presiding Officer ruled.

(e) FORM OF THE POINT OF ORDER.—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 section, and such point of order being sustained, such material contained in such conference report or amendment shall be deemed stricken, and the Senate shall proceed to consider 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 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.

AMENDMENT NO. 518

Mr. CONRAD. Mr. President, I ask unanimous consent that the Smith amendment No. 518 be agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 518) was agreed to, as follows:

(Purpose: To fund the State Department, USAID, and other foreign affairs agencies and their programs at the level requested by the President)

On page 9, line 8, increase the amount by \$2,200,000,000.

On page 9, line 9, increase the amount by \$1,049,400,000.

On page 9, line 13, increase the amount by \$567,600,000.

On page 9, line 17, increase the amount by \$224,400,000.

On page 9, line 21, increase the amount by \$149,600,000.

On page 9, line 25, increase the amount by \$121,000,000.

On page 26, line 12, decrease the amount by \$2,200,000,000.

On page 26, line 13, decrease the amount by \$1,049,400,000.

On page 26, line 17, decrease the amount by \$567,600,000.

On page 26, line 21, decrease the amount by \$224,400,000.

On page 26, line 25, decrease the amount by \$149,600,000.

On page 27, line 4, decrease the amount by \$121,000,000.

Mr. DODD. Mr. President, I want to take a moment to explain why I offered

an amendment with Senator SMITH to increase the international affairs budget. Prior to the Budget Committee's consideration of the 2008 international affairs budget, Senator SMITH and I, along with many of our colleagues on both side of the aisle, circulated a letter to the Budget Committee asking for a significant increase in the international affairs budget.

I feel very strongly that given the myriad challenges facing the United States around the world, the international affairs budget needs be more robustly funded.

As my colleagues know, this budget supports the people and programs devoted to strengthening alliances, promoting peaceful relationships among nations, boosting economic development, eliminating poverty, and explaining and representing U.S. policy abroad.

As my colleagues also know, the international affairs budget constitutes just over 1 percent of Federal spending, yet it funds some of the most essential components of America's foreign policy, including our diplomatic service, foreign aid, international health programs, and emergency relief operations among others.

The international affairs budget provides the funding for the most important tools we have to implement our foreign policy. Robust funding is necessary to implement these critical programs and policies to fund American diplomacy and global development, so that we can continue to expand our leadership in the fight for freedom, prosperity and peace throughout the world.

Mr. LEVIN. Mr. President, I am pleased to vote for this budget resolution today. I believe this blueprint for the government's spending and revenues will help put us back on a fiscally responsible path.

Before I turn to the merits of this resolution, I want to address the fact that my amendment to establish a deficit neutral reserve fund to promote American manufacturing has been included in this resolution. I thank Senators CONRAD and GREGG for accepting this amendment, and I look forward to working with them and other Members to carry out its intent.

I believe that we must take strong and dramatic actions in this Congress to revitalize and support our domestic manufacturing sector. We need to enhance our research and development programs, provide tax incentives to encourage and sustain domestic manufacturing, and level the playing field for our domestic manufacturers in the global marketplace. My amendment will be helpful as we fight in this Congress to take these important steps.

We need to stop the hemorrhaging of manufacturing jobs from the United States. Our economy and well-being are directly linked to the health of our manufacturing sector, yet we continue to lose manufacturing jobs in this country. Since 2001, we have lost 3 mil-

lion manufacturing jobs nationwide—including more than 200,000 in my home State of Michigan.

Millions more manufacturing jobs hang in the balance. Our companies face enormous pressure in competing in the global marketplace without sufficient support from the U.S. government. Our companies are not competing against other companies overseas—they are competing against other governments that strongly support their manufacturing sectors.

We need to provide significant federal support for technology initiatives and advances that will help keep our companies on the cutting edge of technology development and competitive in the global marketplace. All of this requires a bold and comprehensive effort across many segments of our federal government. It will involve many committees and many federal agencies, but I believe it is critical to stem the tide of the domestic manufacturing crisis occurring in this country.

My amendment points us in the direction we need to take. It will support legislation that would revitalize our domestic manufacturing sector in four critical ways—by increasing Federal research and development; by expanding the scope and effectiveness of manufacturing programs across the Federal Government; basing support for development of alternative fuels and leap-ahead automotive and energy technologies; and by establishing tax incentives to encourage the continued production in the U.S. of advanced technologies and the infrastructure to support them.

There are many other parts of this resolution to be pleased with as well. For too long now we have been digging deeper and deeper into a ditch of debt. President Bush's budget submitted to Congress in February would continue that trend by increasing the gross Federal debt by nearly \$3 trillion to \$11.5 trillion by 2012. That's \$38,000 per person. The budget resolution we are considering today should start to reverse that trend.

First, this resolution reestablishes a strong pay-go rule, which would require any new spending or tax cuts to be paid for elsewhere in the budget or receive a supermajority of at least 60 votes in the Senate. This concept is common sense for most families, who work to live within their means by balancing what goes out with what comes in. I heartily welcome its return.

This budget also takes the positive steps of establishing a new budget point of order against long-term deficit increases and allowing the Senate's unique budget reconciliation process, which was abused in recent years by the Republican majority, to be used for deficit reduction only, not to increase the deficit with measures which otherwise could not pass the Senate.

This budget also sets a blueprint for going after our country's massive \$350 billion tax gap, which is the difference between the amount of taxes owed by

taxpayers and the amount collected. One of the primary tax gap areas I hope Congress will focus on this year is the offshore tax haven and tax shelter abuses that are undermining the integrity of our tax system. There are many ways Congress can go about tackling these problems, and I commend Chairman CONRAD and the Budget Committee for their willingness to take on and push Congress to address these complicated areas. Cracking down on these abuses which shift the tax burden onto ordinary taxpayers is a critical step toward achieving fairness in our tax system.

Additionally, I am pleased that this budget assumes an extension of alternative minimum tax, AMT, relief for 2 years. This is relief we know is needed to avoid imposing this unintended tax increase on millions of middle income families. This time frame gives the Finance Committee time to work out a fix that is appropriate and, I hope, paid for.

The two AMT amendments offered to this resolution which we considered today were not paid for. The amendment offered by Senator LOTT would add \$231 billion to the debt over the next 5 years, and Senator GRASSLEY's amendment would have cost \$533 billion over that same time. We must not only fix AMT, we must fix it responsibly.

Furthermore, I am pleased that this budget resolution supports our men and women in uniform by providing all the funding requested by the President for national defense, for both the underlying national defense program and the additional costs of operations in Iraq and Afghanistan. I believe our policy in Iraq must change, but I do not support attempts to cut off funds for our troops in the field. This resolution fully funds our forces at home and overseas, at the levels I and Senator MCCAIN, the ranking member of the Armed Services Committee, requested in our letter to the Budget Committee.

I also believe funding for these ongoing operations in Iraq and Afghanistan should be accounted for in our budget, and that it was past time the President and Congress stop treating these costs as if they were unanticipated "emergency" expenditures. I am pleased that this resolution supports the request Senator MCCAIN and I made to build these costs into the budget.

This has two beneficial effects. First, it makes this budget more honest about the cost of this war and the impact it has on our federal deficit. Second, putting this spending into the regular budget process helps ensure that funding requested for operations in Iraq and Afghanistan will receive greater congressional oversight. I commend Senator CONRAD for his continuing leadership on fiscal responsibility and accountability.

On the issue of funding for our Nation's veterans, I am pleased that this resolution includes the resources needed to ensure that our veterans get the

health care they deserve. In total, the resolution provides more than \$43 billion for the Veterans Affairs healthcare system—\$3.5 billion more than President Bush's budget. Again, this year, the Senate has rejected President Bush's proposal to raise copayments and to impose new fees and higher copayments on certain veterans.

I am also pleased that this budget affirms the Senate's commitment to authorize at an appropriate level the Children's Health Insurance Program, SCHIP, before it expires in September 2007. Making sure children have adequate health care should be one of our nation's top priorities. However, President Bush's budget would lead to the loss of critical coverage in many states. It is imperative that we reject that inadequate proposal, and this budget resolution does that.

This budget also represents a significant improvement over the President's budget for education. There are more funds for Pell grants, IDEA, and No Child Left Behind Act than the President requested. It would be shameful to fail in our responsibility to our children to adopt a spending blueprint that does not provide our schools the resources they need.

I am also pleased that this budget rejects the broad array of cuts to environmental protection programs that were included in the President's budget. This budget resolution fully funds the Environmental Protection Agency's programs to support clean and safe drinking water, and increases funding for the Superfund program by \$211 million over the level in the President's budget. The budget also provides about \$900 million more for the EPA than the President's budget. This bill also protects Federal lands by rejecting President Bush's proposal to assume revenues from proposals to sell Federal lands.

I am also heartened that the budget rejects the President's proposal to drill in the Arctic National Wildlife Refuge, ANWR.

Further, I also support the Senate's adoption of an amendment to fund the Low-Income Home Energy Assistance Program, LIHEAP, at \$3.2 billion, which will ensure that more households can be served by this very important program. Unfortunately, this program has been woefully underfunded by President Bush's budget, as well as in past years.

I also want to talk a bit about a couple more of the amendments we voted on today. I support extending tax cuts for low- and middle-income taxpayers. However, I opposed Senator GRAHAM's amendment because it would have extended the excessive tax cuts for those in the highest income bracket which I have opposed from the first time we voted on it in 2001, and which we simply can't afford.

I also opposed an estate tax amendment offered by Senator BEN NELSON. I would support legislation to prevent a return to the 2001 exemption level,

which is too low and no longer appropriate. The current law estate tax exemption level for 2009 of \$3.5 million, \$7 million for couples, is appropriate and results in only one-third of one percent of estates owing any estate tax. I also had concerns about the Nelson amendment because it proposed a reduction of the rate to 35 percent, which would be a huge loss to the treasury and the amendment does not specify how the revenue needed to keep these changes from increasing the deficit would be raised.

It is a welcome change to be voting for a budget resolution that I believe can change the failed fiscal policies and irresponsible tax cuts pushed by this administration. This resolution paves the way for important investments in America's future to put our country back on track and to begin the long process of climbing out of the ditch of debt.

Mr. President, during this budget debate there have been different views expressed regarding the amount of revenue that would result if Congress will go after the offshore tax haven and tax shelter abuses that are undermining the integrity of our tax system. There are many ways Congress can go about tackling these problems, and I commend Chairman CONRAD and the Budget Committee for their willingness to take on and push Congress to address these complicated areas. Cracking down on these abuses is a critical step toward achieving fairness in our tax system.

If Congress addresses these inequities, it would also bring in billions of dollars needed to pay for many important national priorities. These priorities are recognized in this budget resolution itself, such as education, children's health care, veterans medical care, community development block grants, and law enforcement. We can go a long way toward paying for these critical programs by stopping these tax dodges that rob the Treasury of up to \$100 billion a year, and shift the tax burden from high-income persons and companies who are principal users of offshore tax havens onto the backs of middle-income families who pay their taxes.

For many years, the Permanent Subcommittee on Investigations, of which I am chairman, has been looking at the problem of offshore corporate, bank, and tax secrecy laws and practices that help taxpayers dodge their U.S. tax obligations by preventing U.S. tax authorities from gaining access to key financial and beneficial ownership information.

The subcommittee has also spent years looking at abusive tax shelters, which are complicated transactions promoted to provide tax benefits unintended by the Tax Code. They are very different from legitimate tax shelters, such as deducting the interest paid on home mortgages or congressionally approved tax deductions for building affordable housing. Some abusive tax

shelters involve complicated domestic transactions; others make use of offshore shenanigans. All abusive tax shelters are marked by one characteristic: no real economic or business rationale other than tax avoidance.

I would like to talk briefly about what we found during those investigations. I think the specifics help make clear that if we have the political will, these are areas ripe with abuses that we can put an end to.

Offshore Investigation. During its year long investigation into offshore tax haven abuses, the subcommittee issued more than 70 subpoenas, conducted more than 80 interviews, and reviewed more than 2 million pages of documents. In the resulting hearing held in August 2006, the subcommittee showed through case studies that offshore tax haven countries have, in effect, declared economic war on honest U.S. taxpayers by giving tax dodgers a way to avoid their U.S. tax bills and leave them for others to pay. Offshore tax havens attract these tax dodgers by shrouding their financial transactions in a "black box" of secrecy that is extremely difficult to penetrate. They sell secrecy to attract customers and reward them with low or no taxes.

This legal black box allows tax dodgers to hide assets, mask who controls them, and obscure how their assets are used. An army of "offshore service providers" lawyers, bankers, brokers, and others then joins forces to exploit the impenetrable curtain of secrecy and help clients skirt U.S. tax, securities, and antimoney laundering laws. Many of the firms concocting or facilitating these schemes are respected names here in the United States.

These schemes require the secrecy of tax havens because they can't stand the light of day. Our investigation laid out six case studies that illustrated the scope and seriousness of the problem. In one case, two U.S. citizens moved about \$190 million in untaxed stock option compensation offshore to a complex array of 58 offshore trusts and corporations and utilized a wide range of offshore mechanisms to exercise direction over these assets and hundreds of millions of dollars in investment gains. These untaxed earnings were then used to finance business ventures, acquire real estate, provide loans, and buy art, furnishings and jewelry for the personal use of the family members.

Much of this elaborate scheme involved an offshore bank and an administrative services firm for offshore entities, both housed in a building in the Cayman Islands that we have shown a few times on the Senate floor during this budget debate, the Uglan House. Believe it or not, the building is the official address of 12,748 companies. Just having a post office box in the building enables these shell companies to shift profits that otherwise should be reported as taxable income in the country where it is actually earned.

In another case study, two offshore shell corporations engaged in fake

stock transactions, seeming to trade stock back and forth as if it were fantasy baseball to create the illusion of economic activity. The shell corporations pretended to run up hundreds of millions of dollars in fake stock losses and then used these phantom losses to offset about \$2 billion in real capital gains of the promoters' U.S. clients. The result was \$300 million in lost tax revenues to the Treasury. This offshore scheme would be comical because of its complexity but for the sobering fact that these tax haven abuses are eating away at the fabric of the U.S. tax system and undermining U.S. laws intended to safeguard our capital markets and financial systems from financial crime.

Our investigation shone a needed spotlight into the black box of offshore tax havens. It revealed a system that is corrupt and corrupting. Honest Americans are footing the bill for tax haven abuses, and it is long past time for Congress to shut those abuses down.

Abusive Tax Shelters. In addition to offshore shenanigans, there are plenty of homegrown tax shelters being used to dodge taxes. For 5 years, our subcommittee has also been conducting investigations into the design, sale, and implementation of these complex transactions that have no economic or business rationale other than to avoid tax. Our first hearing on this topic in recent years was held in January 2002, when the subcommittee examined an abusive tax shelter purchased by Enron. In November 2003, the subcommittee held 2 days of hearings and released a staff report that pulled back the curtain on how even some respected accounting firms, banks, investment advisors, and law firms had become engines pushing the design and sale of abusive tax shelters to corporations and individuals across this country. In February 2005, the subcommittee issued a bipartisan report that provided further details on the role these professional firms played in the proliferation of these abusive shelters. Our subcommittee report was endorsed by the full Committee on Homeland Security and Governmental Affairs in April 2005. Most recently, a 2006 subcommittee staff report entitled, "Tax Haven Abuses: The Enablers, the Tools, and Secrecy," disclosed how financial and legal professionals designed and sold yet another abusive tax shelter known as the POINT Strategy, which depended on secrecy laws and practices in the Isle of Man to conceal the phantom nature of securities trades that lay at the center of that tax shelter transaction.

The subcommittee investigations have found that many abusive tax shelters are not dreamed up by the taxpayers who use them. Instead, most are devised by tax professionals, such as accountants, bankers, investment advisors, and lawyers, who then sell the tax shelter to clients for a fee. In fact, as our 2003 investigation widened, we found a large number of tax advisors

cooking up one complex scheme after another, packaging them up as generic "tax products" with boiler-plate legal and tax opinion letters, and then undertaking elaborate marketing schemes to peddle these products to literally thousands of persons across the country. In return, these tax shelter promoters were getting hundreds of millions of dollars in fees, while diverting billions of dollars in tax revenues from the U.S. Treasury each year.

For example, one shelter investigated by the subcommittee and featured in the 2003 hearings has since become part of an IRS effort to settle cases involving a set of abusive tax shelters known as "Son of Boss." Following our hearing, more than 1,200 taxpayers have admitted wrongdoing and agreed to pay back taxes, interest, and penalties totaling more than \$3.7 billion. That is billions of dollars the IRS has collected on just one type of tax shelter, demonstrating both the depth of the problem and the potential for progress. The POINT shelter featured in our 2006 hearing involved another \$300 million in taxes lost to the Treasury on transactions conducted by just six taxpayers.

Tax Levies on Federal Contractors Who Don't Pay Their Taxes. That is not all. For the last 4 years, our subcommittee has been focusing attention on another sector of the tax gap involving Federal contractors who don't pay their taxes. These contractors are stuffing their pockets with taxpayer dollars, while stiffing Uncle Sam by not paying their taxes.

Past subcommittee hearings have exposed the fact that there are about 27,000 defense contractors with \$3 billion in unpaid taxes; 33,000 contractors with other Federal agencies who owe \$3.3 billion in unpaid tax debt; and 3,800 GSA contractors with \$1.4 billion in unpaid tax debt. Earlier this week, another subcommittee hearing put the spotlight on 21,000 Medicare physicians and related medical suppliers with \$1.3 billion in unpaid tax debt. These mind-boggling numbers represent tens of thousands of companies putting their hand in the taxpayers' wallet, while dodging billions of dollars in tax obligations.

A key program designed to stop this type of abuse is the Federal Payment Levy Program. This program was enacted about 10 years ago to enable the Federal Government to identify Federal payments being made to tax deadbeats, and to withhold a portion of those taxpayer dollars to pay off a portion of the person's tax debt. For the last 4 years, our subcommittee has conducted an intensive effort to strengthen the tax levy program for Federal contractors who don't pay their taxes. As a result, over the past 3 years, tax levy collections as a whole have more than doubled, increasing from about \$136 million in 2004 to nearly \$340 million in 2006. Of these totals, tax levy collections from Federal contractors in particular have also more than doubled, increasing from about \$28 million

to \$62 billion. But \$62 billion is only a fraction of the billions of uncollected taxes owed by Federal contractors getting paid hundreds of billions in taxpayer dollars. Much more can and should be done to reduce the Federal tax gap by increasing tax levy collections.

The first step would be to require the Center for Medicare and Medicaid Services to move as quickly as possible to make all \$450 billion Medicare and Medicaid payments each year subject to the tax levy program, so that all of these taxpayer dollars are screened for repayment of tax debt. The next step would be to strengthen the tax levy program as a whole. In 2006, for example, the Federal Government identified a total of about \$122 billion in assessed tax debt that could be collected, in part, through the tax levy program. At the same time, it determined that only about 45 percent of that uncollected tax debt was actually matched against the Federal payments being made that year. In other words, in 2006, some \$67 billion in tax debt was never "turned on" for actual collection under the tax levy program.

Simple reforms could ensure that a lot more of that \$67 billion is set up for collection under the tax levy program. One key barrier right now, for example, is an elaborate series of tax levy notices, mandated by law, that currently have to be issued by the IRS before tax debt can be collected through the tax levy program. While the tax levy notices make sense if the Federal Government is targeting payments being provided by a third party, such as an employer, they make a lot less sense when the levy is targeting taxpayer dollars going to the very people who owe the tax debt. For that reason, Senator COLEMAN and I plan to introduce legislation to reform the tax levy notice process for Federal payments. We also plan to strengthen other aspects of the tax levy program to start narrowing that multibillion-dollar tax gap.

IRS Enforcement Efforts to Reduce the Tax Gap. In our efforts to reducing the tax gap, it will be critical that we give the IRS the funds it needs to go after tax dodgers. For every dollar invested in the IRS's budget, the service yields more than \$4 in enforcement revenue. Beyond the additional revenues collected, increased IRS enforcement deters those who might otherwise have dodged their tax obligations and reassures honest taxpayers that compliance with the law is broadly achieved.

I am pleased that this budget resolution fully funds the President's budget request for the IRS, and includes an additional \$399 million available for IRS enforcement activities. I can't think of many better investments to recover revenues wrongfully lost to the U.S. Treasury and to build respect for the law and respect for the honest Americans who play by the rules and meet their tax obligations.

Scope of Problem. The abusive tax shelters and offshore case studies that

the subcommittee has delved into are merely a handful of examples that can be used to better understand the details behind these widespread problems.

Because secrecy is such a key component of offshore abuses, it is incredibly difficult to estimate just how much income is sheltered offshore. Recent estimates from tax experts, Joe Guttentag and Reuven Avi-Yonah, estimate that offshore tax haven abuses by individuals cost the U.S. Treasury between \$40 billion and \$70 billion a year in taxes that are owed but not collected.

Corporations are also using tax havens to avoid payment of U.S. taxes. Preliminary results from a study to be released soon by Kimberly Clausing of Wellesley College show that \$50 billion in U.S. revenue was lost in 2002 from profit-shifting by corporations to low-tax countries. A GAO report Senator DORGAN and I released in 2004 found that nearly two-thirds of the top 100 companies doing business with the U.S. Government had one or more subsidiaries in a tax haven. One company, Tyco International, had 115. Enron, in its heyday, had over 400 Cayman subsidiaries.

Data released by the Commerce Department further demonstrates the extent of U.S. corporate use of tax havens, indicating that, as of 2001, almost half of all foreign profits of U.S. corporations were in tax havens. A study released by the journal, "Tax Notes" in September 2004 found that American companies were able to shift \$149 billion of profits to 18 tax haven countries in 2002, up 68 percent from \$88 billion in 1999.

A 2004 study by Professor John Zdanowicz found that transfer pricing abuses by corporations cost the U.S. Treasury \$53 billion a year. Last year the IRS settled a transfer pricing dispute with one company alone, drug giant Glaxo SmithKline, for \$3.4 billion. The size of this settlement with just one company indicates that it is worth looking to see if there are ways to improve the relevant portions of the Tax Code. Treasury has proposed regulations in this area, and I urge the administration to finalize those rules in as strong a form as possible. I also urge the Finance Committee and others to make it a priority to stop these transfer pricing abuses that are hurting average taxpayers as well as disadvantaging U.S. companies that play by the rules.

How to Address the Problem. One of the big questions that surrounds all of this is how to start addressing these problems. I have a bill that would be a huge step in the right direction. We can't let the offshore tax havens hide \$100 billion in U.S. tax revenues which are needed to protect our troops, fund health care and education, and meet the other needs of American families. We cannot tolerate high-priced accountants, lawyers, and banks concocting ways for tax cheats to offload their unpaid taxes onto the backs of honest taxpayers. That is why earlier

this year I introduced the Stop Tax Haven Abuse Act, along with Senators Coleman and Obama. This bill provides a powerful set of new tools to clamp down on offshore tax and tax shelter abuses.

Among other measures, our bill would:

Establish Presumptions to Combat Offshore Secrecy by allowing U.S. tax and securities law enforcement to presume that nonpublicly traded, offshore corporations and trusts are controlled by the U.S. taxpayers who formed them or sent them assets, and to presume that money moving between U.S. taxpayers and offshore entities is taxable income, unless the taxpayer proves otherwise;

Impose Tougher Requirements on U.S. Taxpayers Using Offshore Secrecy Jurisdictions by listing 34 jurisdictions which have already been named in IRS court filings as probable locations for U.S. tax evasion;

Authorize Special Measures to Stop Offshore Tax Abuses by giving Treasury authority to take special measures against foreign jurisdictions and financial institutions that impede U.S. tax enforcement;

Strengthen Detection of Offshore Activities by requiring U.S. financial institutions that open accounts for foreign entities controlled by U.S. clients, open accounts in offshore secrecy jurisdictions for U.S. clients, or establish entities in offshore secrecy jurisdictions for U.S. clients, to report such actions to the IRS;

Close Offshore Trust Loopholes by taxing offshore trust income used to buy real estate, artwork and jewelry for U.S. persons, and treating as trust beneficiaries those persons who actually receive offshore trust assets;

Strengthen Penalties on tax shelter promoters by increasing the maximum fine to 150 percent of their ill-gotten gains, and on corporate insiders who hide offshore stock holdings by increasing the maximum fine on them to \$1 million per violation of U.S. securities laws;

Stop Tax Shelter Patents by prohibiting the U.S. Patent and Trademark Office from issuing patents for "inventions designed to minimize, avoid, defer, or otherwise affect liability for Federal, State, local, or foreign tax".

This is only a partial list of a host of innovative measures we have included in our bill to strengthen the ability of Federal regulators to combat offshore tax haven and tax shelter abuses. We believe these new tools merit congressional attention and enactment this year if we are going to begin to make a serious dent in the \$100 billion in annual lost tax revenue from offshore tax abuses that forces honest taxpayers to shoulder a greater tax burden than they would otherwise have to bear.

Tax cheats make it harder to maintain our highways, protect our borders, advance medical research, and inspect our food. They make it difficult to give needed tax relief to small businesses

and middle-income victims of the alternative minimum tax. They also deepen the deficit ditch that threatens the economic well-being of our children and grandchildren. The assumptions made in this budget resolution that we can raise ample revenues by shutting them down are not only reasonable, they are crucial to maintaining the integrity of our tax system. I applaud Chairman CONRAD and the Budget Committee, as well as the Finance Committee and Chairman BAUCUS, for their hard fought efforts on this front, and I look forward to working with them and other allies on this issue as we address these problems later this year.

Mr. KERRY. Mr. President, I support this budget resolution. For the last few years, I have not been able to support the budget resolution because it focused on the wrong priorities. I would like to commend Senate Budget Committee Chairman CONRAD for crafting a budget resolution that focuses on the right priorities.

Today, we have before us a resolution that restores fiscal sanity to the budget process. It recognizes the realities of our current and future financial situation. This resolution eliminates the deficit by 2012 and unlike the Bush administration's budget it does not leave out important costs like the funding of the wars in Iraq and Afghanistan and addressing the individual alternative minimum tax, AMT.

This budget resolution returns discipline to the budget process. It restores the pay-as-you-go-rule which was essential to reducing the deficit in the 1990s. It includes a provision which requires the reconciliation process to be used for deficit reduction. The reconciliation process was designed to set up a procedure to expedite the passage of legislation. It was used successfully to reduce the deficit, but in recent years it was used to pass debt-financed tax cuts. Today, we are restoring the reconciliation process to its original purpose—deficit reduction.

The priority of the Administration's budget is to make permanent the 2001 and 2003 tax cuts—at the expense of hard working families. This budget puts families first; it puts education first; it puts health care first. It is a resolution we can and should be proud of, particularly because we will be reauthorizing the Higher Education Act and No Child Left Behind this year. Now we know we will have enough money to make a difference with our legislation.

This resolution specifically and substantially addresses one of my legislative priorities—providing health insurance to children. In 2005, 361,000 children under the age of 18 were added to the rolls of the uninsured, the first time in almost a decade that the number of children without insurance in this country increased. This brings the total number of uninsured children under the age of 21 to a staggering 11 million. Thankfully, this budget begins to put kids first.

Under the resolution, the State Children's Health Insurance Program, SCHIP, will be funded with an additional \$50 billion over the next five years. This will maintain coverage for all currently enrolled children and enable coverage to be expanded to the estimated six million children that are eligible for, but not enrolled in, public health insurance programs. I will continue to work on this issue to ensure that every child in America gets the health care coverage they deserve. Their health and our future depend upon it.

This budget resolution includes many deficit-neutral reserve funds which will allow us to address our priorities in a fiscally responsible manner, including a fund for small business health care. Recently, Senator SNOWE and I held a hearing on this issue in the Committee on Small Business and Entrepreneurship. This hearing provided a blueprint for how we can move forward to provide small business owners the relief they need from rising premium costs while also ensuring that more employees of small firms have access to affordable, meaningful health care coverage.

I have introduced legislation that would provide small businesses with refundable tax credits to help with the cost of providing their employees with coverage. I am also working on reinsurance legislation that would help small businesses with catastrophic costs. Small business health care needs to be addressed this year. I look forward to working with my colleagues on this issue.

This budget makes veterans a priority. Our veterans have admirably served their country and should receive the best health care that we can provide them. To follow through on this promise this budget resolution includes a deficit-neutral reserve fund to make sure that veterans receive necessary treatments and services.

I offered an amendment which ensures that this reserve fund addresses the needs of low-vision and blinded veterans. More and more of our brave soldiers returning from Iraq are coming home with serious eye injuries, mainly caused by traumatic brain injury. We must do our best to provide vision rehabilitation and screening services to try and save the sight of these veterans. The statistics are staggering: from March 2003 to April 2005, 16 percent of all casualties from Iraq had direct eye injuries. Between Walter Reed and Bethesda Naval Hospital they have performed over 1,200 emergency eye surgeries. I am pleased that my amendment passed so that low-vision and blinded veterans will get the services they deserve.

I am pleased that this budget resolution puts an end to the myth that tax cuts pay for themselves. During the debate on this budget resolution, many of my colleagues argued that this resolution represents a tax increase. That is wrong. This budget provides a deficit-

neutral reserve fund for tax relief. This will give the Finance Committee the opportunity to evaluate the tax cuts and extend them in a revenue neutral manner.

This budget addresses the individual AMT for 2007 and 2008. The Administration's budget only addresses this AMT for 2007. The resolution will prevent new taxpayers from being impacted by the AMT for the next 2 years and gives us time to work on a fiscally responsible solution. We need to address the AMT so it no longer punishes families with children that live in high tax States. Without addressing the AMT, there will be a hidden tax increase on the middle class.

I urge my colleagues to vote for this fiscally responsible budget resolution that puts families first.

Mr. ENZI. Mr. President, as the Senate concludes debate on the fiscal year 2008 budget resolution, I would like to thank Chairman CONRAD and Senator GREGG for all of their hard work at the mark-up last week. We had a constructive debate, and while I did not vote for the product, I respect the process and way he ran the committee mark-up. I know that crafting an annual budget is a difficult task. I also want to acknowledge the importance of writing and passing a budget resolution. This document is a vital part of the operation of Congress. It sets a fiscal blueprint that Congress will follow for the year, and establishes procedural hurdles when these guidelines are not adhered to.

As an accountant, I think it is a valuable exercise to review our Nation's overall priorities. I was disappointed to learn that the committee-reported resolution, adopted on a party-line vote, doesn't do more to promote economic growth and limit overall government spending. This is a tax-and-spend, big-government budget. It assumes that the tax cuts will expire as scheduled under current law, resulting in \$900 billion in tax increases for Americans. The Democratic budget also far outspends the President's discretionary budget request. The committee-reported resolution allows for \$949 billion in regular, nonemergency budget authority to the appropriations committee, \$18 billion more than the President's requested level of \$933 billion.

It also does nothing, on net, to reduce mandatory spending. Our Nation's mandatory health programs are growing each year by more than 6 percent—an unsustainable level—and last week the Budget Committee rejected, on party-line votes, two amendments that would have included reconciliation instructions to the Finance Committee to contain this spending.

I have a legislative track record of fiscal responsibility and meaningful deficit reduction. In 2005, under the Deficit Reduction Act, the Republican Congress was able to produce nearly \$40 billion in spending cuts. I am proud that under my chairmanship, the HELP Committee led the entire Congress in deficit reduction, and produced

\$15.5 billion in savings—that is 40 percent of the entire law.

But that was then. Let me restate that now, the budget resolution we are debating on the floor of the Senate does nothing to reduce net mandatory spending. It's not right to overspend now—and pass the bill on to our children and grandchildren to pay later. I challenge the Senate to work across party lines and do more to shore up our economic future. If one-half of the Senate authorizing committees equal the level of deficit reduction this year that the HELP Committee achieved in 2005, the deficit would be reduced by an additional \$100 billion. But this week, similar to the mark-up last week, the Senate rejected multiple amendments to reform our Nation's largest entitlement programs and slow the growth in mandatory spending.

In my role as lead Republican on the HELP Committee, I will continue to use the reauthorization process to stretch Federal dollars the farthest—ensuring that programs are cost effective and not duplicative, so that precious Federal funds touch as many people as possible.

I will also look for an avenue this year to address health care access and affordability. As my colleagues know, last year Senator BEN NELSON and I introduced legislation that would allow business and trade associations to band their members together in small business health plans, and offer group health coverage on a national or statewide basis. This legislation, The Health Insurance Marketplace and Modernization and Affordability Act, was a direct response to the runaway costs that are driving Americans and small businesses away from the health insurance marketplace.

The HELP Committee has a role to play in making employer-sponsored health care more accessible and affordable. Employer-provided health insurance is voluntary—and it is in critical condition. Sixty percent of the country's employers offer insurance today, down 9 percent from just 5 years ago. And the cost of health insurance for companies has nearly doubled in that same period—with employers expected to pay an average of \$8,167 per employee family, versus \$4,248 5 years ago.

Progress on this critical issue is moving forward, and bipartisan discussions are promising. Last year we built a very solid foundation, which continues to grow.

We are continuing to move forward on this issue and to deal with outstanding concerns. I am actively engaged in negotiations with other members of this body on how best to craft that proposal.

Rather, the best way to achieve real small business health care reform is to proceed forcefully to build on the significant progress we made last year. Development of small business health legislation is a process that is well along, and I believe success is in sight. We are on a promising track, and we

should stick with it. America's small businesses deserve no less than our sincere commitment to make this effort a success.

I also want to mention progress on another HELP-related bill, mental health parity legislation. In February, the HELP Committee favorably reported the Domenici-Kennedy-Enzi compromise parity bill on a bipartisan vote of 18-3. It is the product of more than 2 years of bipartisan negotiations and supported by more than 60 organizations. I am pleased that Senator DOMENICI authored a deficit-neutral reserve fund for mental health parity legislation at the mark-up last week. This reserve fund will serve as a placeholder in the budget for our compromise legislation, which focuses on a benefit, not a mandate.

Lastly, I would like to call attention to an amendment that I offered at the Budget mark-up last week, and reoffered on the floor. The amendment is very simple: it establishes a 60-vote threshold for legislation that imposes unfunded mandates on the private sector, in excess of the \$131 million threshold for fiscal year 2007 established in the Unfunded Mandates Reform Act of 1995, UMRRA.

A 60-vote point of order currently applies to legislation that imposes unfunded mandates on State and local governments. I think the Senate should have a new 60-vote point of order that applies to legislation that creates unfunded private sector mandates. We here in Washington must stop thinking that we have a monopoly on good ideas. This is a commonsense proposal, and should have been approved.

I also want to take this opportunity to mention a few programs that are important to Wyoming.

As our Nation's most abundant energy source, coal must play a central role in electrical generation for years to come. In order for that to happen, we need to continue finding ways to make coal generation cleaner. Programs like the Clean Coal Power Initiative will play a major role in making that happen and so I support increased funding of this program.

We also need to see proper funding of the Federal loan guarantee program. Federal loan guarantees can play an important role in developing new energy projects. It is my hope that we can provide enough funding to get some of these projects off the drawing board, and most specifically, I hope that we provide funding to the Department of Energy to move forward with loan guarantees for coal-to-liquids projects. Coal-to-liquids technology has the potential to help reduce our Nation's dependence on foreign energy barons and should be explored.

In addition, funding for rural air service and maintenance is essential for states like Wyoming. Without Federal support through essential air service and airport improvement programs, many rural communities would have

no commercial air service and extremely limited general aviation. I hope this issue will be part of the debate on the reauthorization of the Federal Aviation Administration this year. I encourage my colleagues to recognize the importance of this funding, not only as a matter of dependability, but also as a public safety issue.

I want to mention two additional issues of great importance to Wyoming and other rural States; housing and homelessness. The McKinney Vento Homelessness Assistance Act is the primary law through which Congress funds homelessness programs in the United States. Unfortunately, rural States have historically received very little of this money. Yet rural States must confront homelessness too, and the geographic size of our States further complicates our efforts. In response to this, Congress authorized the Rural Homelessness Grant Program in 1992 under the McKinney-Vento Act. This program provides funding for transitional housing and education services in rural States, as well as rental or down-payment assistance. The intent of this program is to level the playing field between rural and urban States. Unfortunately, this program has never been appropriated funds since its creation, so the purpose of this program has never been fulfilled, and rural states continue to suffer. This can be a valuable program for rural States like Wyoming.

I would like to briefly call attention to the Small Business Administration. I serve on the Small Business Committee and enjoy using my small business experience to help make a difference in the lives of many people in Wyoming and throughout the country. We are working in Wyoming to stabilize and steadily grow our small businesses through the utilization of the Small Business Innovation Research, SBIR, program. The risk and expense of conducting serious research and development efforts are often beyond the means of many small businesses, especially rural small businesses. By reserving a specific percentage of Federal R&D funds for small business, SBIR enables small businesses to compete on the same level as larger businesses and stimulate high-tech innovation in their rural States.

The FAST and Rural Outreach programs are congressionally authorized programs that provide technical assistance that helps Wyoming's small businesses utilize the SBIR program.

Finally, the Agriculture Committee has a big task in reauthorizing the farm bill this year. Writing a tight budget that will help us reach our long-term fiscal goals is a priority for me. However, we also need to provide adequate funding in the budget for the farm bill. Though you cannot tell by the name, the farm bill affects the lives of many unsuspecting Americans. Policies and projects for distance learning, conservation, food assistance, renewable fuels, and our forests are

provided for in the farm bill, in addition to the well-known commodity programs.

The Senate should reject this tax and spend budget. It increases taxes on working families by \$900 billion, creates a spending spree on the Government's credit card and does nothing to contain runaway entitlement spending.

Mr. ROCKEFELLER. Mr. President, I rise today to support the fiscal year 2008 budget resolution and our Budget chairman, Senator CONRAD, who has done an extraordinary job in developing such a thoughtful resolution.

This budget resolution helps to get our country back on the right fiscal track, and it highlights many priorities for American families that were neglected or ignored over the last few years. For example, this resolution increases discretionary education funding by about \$9 billion so that we can invest in title 1, IDEA and improving Pell grants and student aid.

Another important change is the investment in our veterans by providing \$3.5 billion more for the VA. This resolution approximately matches the funding request of the veteran's organizations, known as the independent budget. It is a travesty that VA has been underfunded in the past as veterans are returning from Iraq and Afghanistan. In West Virginia, I host confidential roundtables to listen in private to our returning veterans. I want to hear from them personally about their experience in combat, and their care and treatment after they come home. I am deeply disturbed by stories of hassles to get medical appointment and lengthy delays in processing claims for benefits. Every veteran who has bravely served our Nation deserves timely and quality care and benefits. Because of the violence and intense combat, many of our returning veterans want and need mental health care. We have a moral obligation to care for our veterans, both those coming home today and the aging veterans of WWII, Korea and Vietnam. This budget resolution is a meaningful downpayment to fulfill our obligations. It will let us investment in mental health care, and begin to improve our VA benefits system so that wounded soldiers do not have to wait ridiculous amounts of time to get their benefit claims resolved.

One part of this resolution that is deeply important to me is the investment of \$50 billion for reauthorization of the Children's Health Insurance Program, CHIP. In 1997, I fought hard to create this program, and I am enormously proud of the success of CHIP in providing insurance coverage to children. In my own State of West Virginia, there are nearly 40,000 children covered through CHIP each year. This budget resolution will allow us to move CHIP forward in two important ways: first, to maintain coverage for children currently enrolled in the program today and, second, to expand coverage to children who are eligible but not yet

enrolled in the program. This provision is a strong signal of the new priorities of the leadership in the 110th Congress. I would like to particularly thank Senator CONRAD and his staff for the commitment this resolution makes to CHIP. I know this budget wasn't easy. I know that there are many competing priorities for limited Federal resources and an ever escalating demand. But, I am so proud that Democrats are taking a stand for children and making CHIP reauthorization the top health care priority this year.

This budget resolution is responsible. It restores pay-as-you-go rules. But it also includes deficit-neutral reserve funds so that Congress can move forward on important areas like reauthorization of the Higher Education Act, competitiveness and other domestic priorities that have been ignored for too long. I have been proud to support this budget resolution throughout a long day of votes, and I want to thank and commend our chairman, Senator CONRAD, for a job well done.

Mrs. FEINSTEIN. Mr. President, I rise today to offer my support for the fiscal year 2008 budget resolution.

This budget resolution provides Congress with a \$2.9 trillion spending blueprint for the upcoming year. It establishes a process and guidelines by which Congress will determine the revenues and spending for the Federal Government.

I support this resolution. It puts our Nation on the road back to fiscal responsibility. Nevertheless, I am deeply concerned about our Nation's fiscal health.

We have moved a long way from where we were 6 years ago. When President Clinton left office, he left with a projected 10-year surplus of \$5.6 trillion. That surplus could have allowed Congress to eliminate the Nation's debt by 2010.

But today, the Nation faces a \$248 billion deficit and the debt has grown to \$8.9 trillion. This translates to roughly \$30,000 owed by each and every United States citizen.

It took almost 200 years for every President from George Washington to George H.W. Bush to amass \$2.6 trillion in debt. President Bush matched their \$2.6 trillion in debt in just 5 years.

And, over the next 10 years, the Congressional Budget Office projects the interest payments on the debt will be more than \$3 trillion. That is \$3 trillion that cannot be spent on priorities like healthcare, education or homeland security.

This should be a major concern to the American people.

Our Nation is in this situation because of the misplaced policies of the Bush administration and the Republican Congress.

The President's tax cuts have cost this Nation over \$1 trillion. Over the next 10 years, these tax cuts will cost over \$3 trillion more.

The vast majority of these tax cuts have gone to benefit the very wealthy.

Additionally, the War in Iraq and Afghanistan has cost \$510 billion to date. And there is no end in sight.

This has squeezed the budget and made it difficult to fund all those programs that deserve funding.

Let me tell you what this means.

When the President submitted his budget proposal to Congress on February 5, it was deeply flawed.

It cut or eliminated 141 programs, programs that are of great importance to the American people.

My home State of California was especially hard hit.

The President's budget proposed cutting Community Development Block Grants by 21 percent. This would have meant that California's CDBG funding would be cut by almost \$140 million from its 2006 funding level.

This would be devastating.

In the City of Victorville, CDBG funds have helped revitalize areas of the city 3000 residents call home.

In Los Angeles, these funds have allowed 8,500 housing units to be rehabilitated. CDBG funds have preserved over 2,000 jobs and removed over 41 million square feet of graffiti.

Yet the President's budget did not support this important program.

The President's budget also short-changed the law enforcement programs that Americans rely on for their continued safety.

The Community Oriented Policing Services, COPS, program was eliminated under the President's budget, as was the State Criminal Alien Assistance Program, SCAAP. As a border State, these programs are essential to California.

Additionally, under the President's budget, the State Children's Health Insurance Program, SCHIP, was given only half of the funding that is necessary to continue to serve the children already enrolled in this program.

The good news is the budget before us today restores many of the President's cuts. For instance:

It funds CDBG at 2007 levels, plus an adjustment for inflation. California State and local governments can continue to work for housing and community development in low-income areas.

The budget also restores funding to the COPS program. It allocates \$522 million for COPS, a program that has put over 100,000 police officers on the streets in communities across the country. And we have adopted an amendment by my colleague Senator BIDEN to increase COPS funding to its authorized level of \$1.5 billion. I was proud to support this increase.

This budget also restores \$407 million for SCAAP. And through an amendment I offered and the Senate has adopted, will increase the funding for SCAAP to its authorized level of \$950 million. California has the highest number of undocumented aliens in the country. And California prisons house over 20,000 criminal aliens, incurring tremendous costs. Last year alone, California spent over \$715 million keeping criminal aliens off the streets.

This budget increases spending on SCHIP from \$2 billion in the President's budget to \$50 billion. The \$48 billion increase will allow for continued coverage of all currently enrolled children in SCHIP. This budget then goes one step further. It expands SCHIP, insuring an additional six million children who are currently eligible for this program but are not enrolled. Young Americans should not suffer as a result of the President's misplaced priorities.

Additionally, this budget provides critically needed funding for vital Veterans' care programs. Specifically, it provides over \$43 billion for Veterans, \$3.5 billion more than the proposal offered by President Bush. This money will allow our brave troops to obtain the medical care they deserve.

After the alarming revelations at Walter Reed Army Medical Center and other Veterans' facilities around the country, it is clear that we need to ensure that VA facilities provide the highest level of care. This proposal funds medical and prosthetic research and information technology; and it ensures that baseline operating expenses are met.

In addition, the proposal provides middle-income taxpayers relief from the alternative minimum tax.

Absent congressional action, nearly 20 million more Americans will be forced to pay the AMT next year. This proposal adds 2 years of relief from the AMT, where the President could only find room for 1.

Congress faced many restrictions and tough choices in crafting this budget. And lawmakers' hands were tied due to years of fiscal mismanagement.

The budget resolution is far from perfect. It fails to provide permanent relief from the AMT for middle-class families and, while it restores much needed funds in critical areas, it does not fully fund critical programs. But it refocuses our priorities. And it takes important steps to restore fiscal responsibility.

Unlike the President's budget proposal, this budget will create a surplus in 2012 and is nearly balanced a year before that.

Change will take time. And there is no cure-all for the years of fiscal irresponsibility and misguided policies that we have seen.

As I said before, this budget is far from perfect. However, it initiates much needed change and I believe will put us back on the path from which the President and Republican Congress strayed.

Mr. President, I encourage my colleagues on both sides of the aisle to act in the best interest of Americans who have entrusted us with a great responsibility. I hope that they will join me today in meeting this responsibility by voting for the fiscal year 2008 budget resolution.

Mr. BUNNING. Mr. President, I wish to speak today as a member of the Senate Budget Committee.

I had hoped that the budget that was presented before the Committee last

week was going to be fiscally responsible. Chairman CONRAD had said earlier this year that he was prepared to get savings out of long-term entitlement programs. He had made similar statements in the past. So I had some hope that this budget would take a serious look at what we could do to address the issue of out-of-control entitlement growth.

Unfortunately, I was not able to support this budget in Committee and I will not be able to support it here on the Senate floor.

This budget does not take seriously the out-of-control entitlement spending looming on the horizon. This budget resolution fails to show that Congress is willing to make the difficult choices necessary to ensure that the Social Security, Medicare and Medicaid programs will continue into the future.

This country faces \$67 trillion in unfunded liabilities over the next 75 years. Thirty two trillion dollars of that is in the Medicare program, \$20 trillion is in the Medicaid program and the remaining \$15 trillion is in the Social Security program and other liabilities.

As Senator GREGG pointed out yesterday, \$67 trillion represents more than the entire amount of revenues received by the Federal Government since the beginning of the republic.

How are our children supposed to pay for that?

We don't have to wait 75 years for the problem to blow up in our faces. In about 2032—almost 25 years from now—the cost of just Medicare, Medicaid and Social Security, if left unchecked, will exceed the 18.2 percent of GDP that is the historic level of our Federal revenues. So every single penny of what should be received by the Federal Government in revenue will be spent on just three programs.

Where is the money for defense to come from? Where is money for education to come from? LIHEAP? NASA? Worker training? Border enforcement? Name any program that you support and tell me just where the money is to come from? This is the future we face.

And yet this budget resolution doesn't move a toe toward fixing it. It includes not one penny in net entitlement reform.

President Bush presented Congress with a budget that makes strides in this direction by attempting to slow the rate of growth in these programs. I'm not talking about wholesale reform here—although I feel that such reform is needed. Just implementing incremental changes can make a huge difference simply because of the enormous amounts of money that we are dealing with here.

For example, in Medicare the President proposed reducing the growth in the program from 6.5 percent to 5.6 percent over 5 years. This change, just a 1 percent reduction from how Medicare would otherwise grow over the same time period, is estimated to reduce

Medicare's 75-year unfunded liability by 25 percent—or \$8 trillion. For Medicaid, the President proposed reducing the growth rate from 7.3 percent to 7.1 percent.

Keep in mind that this means we will still have spending increases in these programs—pretty substantial increases in fact. However, these increases just won't be as big as originally projected.

The President's budget calls for some commonsense reforms to both Medicare and Medicaid to reduce spending. In Medicare, for example, the President's budget makes several suggestions to ensure that the program is adequately paying providers for the cost of care without overpaying.

In Medicaid, the President has proposed ensuring Medicaid prescription drugs are reimbursed fairly and by improving the financial integrity of the program.

As a member of the Finance Committee, I would obviously need to take a close look at these reforms before any are implemented. However, it is vitally important that the American taxpayer does not overpay for health care services or products.

The President's budget also requires wealthy seniors to pay more for Medicare by reducing the Federal subsidy for Medicare Part D premiums for these seniors. This means that seniors who have incomes over \$80,000 for an individual or \$160,000 for a couple would be required to pay more for their Medicare drug benefit.

To me, this just makes sense. Today's working middle-class American taxpayers should not be subsidizing the health care of Bill Gates' father. Also, we already do this for Medicare Part B. Such a change would only affect about 5 percent of seniors.

These are the types of changes that we need to be making. Yet this budget resolution before us today makes no net changes to entitlement programs. This, despite the fact that the Big 3 entitlement programs currently account for over 41 percent of the Federal budget, and that number will grow to almost 57 percent in 10 years.

A budget that does not seriously address entitlement spending is not responsible. This budget is not responsible.

Again, I am not asking for wholesale reforms here. I am very supportive of looking at comprehensive reforms and I support the efforts of Chairman CONRAD and Senator GREGG to set up a bipartisan group to take a look at recommending them.

But that is not what I am asking for in this budget before us today. We should not let the perfect be the enemy of the good. Maybe we don't have a perfect way to fix our entitlement challenge right now. But we could have made a good start this year and started on some incremental changes. However, the authors of this budget chose not to do that.

We face a demographic tidal wave in this country. As the baby-boom generation grows older, the number of people

in the United States ages 65 and over is expected to roughly double by 2030. But instead of saving for a rainy day, we continue to spend, spend, spend.

Hard choices have to be made. Spending has to be controlled. Entitlements have to be reigned in.

We are saddling our children and grandchildren with an unfair burden.

The President's budget started us in the right direction. Unfortunately, the Democratic budget has dropped the ball, and pushed off the inevitable hard decisions until another day.

I am profoundly disappointed with the budget I see before us today, and I urge my colleagues to oppose it.

Mr. DODD. Mr. President, I rise in support of S. Con. Res. 21, the budget resolution currently before this body. This budget restores fiscal discipline on both the spending and revenue sides of the ledger, reinstates the pay-as-you-go rules that were so successful during the late 1990s in helping us achieve budget surpluses, and provides a responsible framework for meeting our Nation's most important priorities. With these accomplishments, it represents a major improvement over the budgets of recent years and the budget submitted by the President last month. It puts our country in a much better position to address the major long-term fiscal challenges looming just around the corner.

We as Americans are fortunate to be a part of the world's largest and most prosperous economy. America is, by many measures, doing well but I defy anyone to say we that we cannot do better. We must ensure our national security and restore our moral authority in the world. We must address growing middle class insecurity, reflected in falling incomes coupled with rising costs and record low personal savings coupled with record high household debt. We must stem the backward slide of rising poverty of recent years.

As a Nation, we must take this opportunity to lay a strong foundation for the future: to constructively respond to the accelerating pace of globalization, to secure clean and renewable sources of energy, and to rein in the skyrocketing health care costs that threaten to overwhelm the budgets of households, businesses, and the Government.

Our ability to effectively address any of these challenges, Mr. President, depends on properly managing our fiscal resources. This budget takes an important step towards restoring fiscal responsibility, reversing the profligate trend of the last several years. Since the current President took office, fiscal discipline has been thrown to the wind. Since 2000, we have seen our nation go from a \$236 billion budget surplus to a projected \$244 billion deficit, from a National debt of \$5.6 trillion to \$8.8 trillion today, with the share of that debt held by foreign lenders doubling. Critical investments in education and infrastructure have been shortchanged, and middle-class tax

cuts have been passed over in favor of more lavish, budget-busting tax breaks for the wealthiest Americans who need them least.

Instead of continuing these irresponsible policies and passing the costs on to our children and grandchildren, the budget now before us would restore fiscal discipline and renew investments in our nation's critical priorities. First and foremost, it reinstates common-sense pay-as-you-go rules that require any new spending or tax cuts to be paid for up front, rather than added to the debt. And because of this commitment to pay-as-you-go, it balances the federal budget within 5 years and reduces the debt as a share of the economy. It requires honest budgeting for the cost of ongoing military operations. The resolution also imposes discipline on both spending and revenue, lowering spending every year as a share of the economy and cracking down on abusive tax shelters that cost American taxpayers an average of \$2,000 apiece every year, according to the Internal Revenue Service's National Taxpayer Advocate.

Within the context of fiscal responsibility, this budget also allocates our resources to our Nation's most important priorities.

Mr. President, few priorities are more important than investing in our Nation's children. The budget before us recognizes this commitment by rejecting the President's proposed cuts to education. Instead, it provides a funding increase of \$9.2 billion above the president's request for education and training, from birth through post-secondary education, including Head Start, the Individuals with Disabilities Education Act (IDEA), programs authorized under the No Child Left Behind Act, and Pell Grants. The increased investment will ensure that more preschool children from disadvantaged backgrounds will be ready for school. It will help elementary schools, middle schools, and high schools close achievement gaps; increase graduation rates; and reduce the need for remedial education at a later time. It will ensure that schools can attract, train, and retain high-quality teachers. It will keep our commitment to educate students with disabilities. And it will make college more affordable so that eligible students can gain the skills and experience they need to compete in the global marketplace. Simply put, this budget gives more Americans the tools they need to fulfill their potential, including their college dreams. Mr. President, we can be confident of one thing: the investment we make here will be returned to us, many times over.

In addition to investing in our human capital, this budget also makes important investments in our physical capital. Specifically, it honors the funding levels for highways and transit that were authorized for fiscal year 2008 in the Safe, Accountable, Flexible, Efficient Transportation Equity Act

(SAFETEA), funding that will help States and communities conduct critical maintenance and make needed improvements in their transportation infrastructure. It more than doubles funding for transit security an important start, although more still needs to be done and rejects the Bush administration's continued attempts to zero out funding for Amtrak, which serves so many people in Connecticut and across the country.

With the number of Americans without health insurance on the rise, this budget provides up to \$50 billion to help cover uninsured children through the State Children's Health Insurance Program, or SCHIP, which is up for reauthorization this year. We also know that this administration has failed to meet its commitments to the health of our veterans, as revealed by the recent reports on the disgraceful conditions at Walter Reed Army Medical Center. As an answer to this major shortfall, the budget before us provides more than \$3.5 billion for veterans above the level proposed by the administration. And where previous budgets have cut funding for first responders, this budget restores the administration's proposed cuts to Firefighter Grants, the COPS program, and Local Law Enforcement and Terrorism Prevention Grants. Finally, this budget also rejects the administration's proposed cuts to low-income heating assistance and to the Community Development Block Grants an absolutely vital source of federal grant assistance for economic development in our local communities.

Mr. President, I would also add and I have already spoken on this matter—that I am pleased that the Senate voted to adopt the Smith-Dodd amendment to add \$2.2 billion to Function 150 for the International Affairs budget, which will provide important funds for international aid, poverty reduction, and other critical foreign policy priorities.

Mr. President, the priorities in this budget set a positive course for our Nation. In its lists of numbers we read a statement of our values. We can all speak in unlimited praise of responsibility and education and opportunity in the abstract but for the first time in several years, I'm proud to say we have a budget in front of us that puts flesh on our words. It restores discipline. It confronts the challenges of a struggling middle class and an aging population, promoting opportunity, prosperity, and security across the board. And it puts the American people's money towards the wisest priority of all: investing in the years to come. In sum, I think we have a budget that reflects the best values of the American people, and I am proud to give it my support.

Mr. SMITH. Mr. President, I rise today to express my disappointment with this year's budget resolution. This budget is putting us on a very dangerous path in terms of our economy. A huge tax hike is not the right direction for our country.

The Republican progrowth tax policies that have been implemented over the past few years have had a tremendous impact on our economy. Since August 2003, more than 7.5 million jobs have been created. Our unemployment rate remains low at 4.5 percent—which is well below the 5.1 percent average rate for 2005 and below the average of each of the past four decades. Thanks to our strong economic growth, tax revenues continue to pour in. Tax receipts were up about 12 percent in 2006, on top of 2005's 14.6 percent increase. Receipts have grown another 8 percent so far in fiscal year 2007.

But instead of building on this success, this budget takes us in a completely different direction. The resolution would raise taxes by \$900 billion—the largest tax hike in history. This tax increase will have real consequences on American families. An Oregon family of four with \$50,000 in earnings will see their taxes go up 132 percent to \$3,675 in 2011 if the Republican tax relief is not made permanent, and 15 million seniors would see their taxes increase if current tax policy is not extended.

We are heading in the wrong direction with this budget. Therefore, I will be voting against the budget resolution.

Mr. BYRD. Mr. President, after many long years of flawed budget policies that have eroded our Nation's infrastructure and recklessly taken from the health and safety of American working families, the Senate finally has an opportunity to change course.

The President has submitted a grossly inadequate budget request for the fiscal year 2008, built around the erroneous premise that tax cuts are sacrosanct. I reject that argument. I hope that my colleagues will reject that argument.

The President's budget includes \$2 trillion of new tax cuts, many of which will benefit those who least need them. In order to fund those tax breaks, the President cuts the programs that working Americans rely on the most. The President proposes to cut the Medicare and Medicaid Programs, which provide health care to seniors and children. He proposes to cut funding for housing for the elderly in rural America. He proposes to cut funding for first responder programs, jeopardizing the safety of our firefighters and law enforcement officers, and those of us whom they protect. He proposes to cut funding for our children and schools, for health care research and rural hospitals, and for our communities and economic development.

The President is proposing to take an awful lot from working American families in order to pay for his tax breaks. His budget cuts are not funding the troops overseas, or being used to pay down the national debt. The president's own budget tables show that the gross federal debt will continue to increase to record levels, \$12 trillion in the next five years, even if his spending cuts are enacted into law.

I reject the argument that seniors must give up their health care, and that children must give up funding for their schools, in order to fund tax breaks for the wealthiest of the wealthy in America.

The President's budget continues the dangerous practice of chipping away at domestic priorities, and trying to get away with spending as little as possible on critical infrastructure. There are consequences—sometimes significant consequences, and sometimes deadly consequences—when the administration tries to hide the impact of its budget cuts in order to fund more tax cuts.

H.G. Wells wrote that human history is a race between education and catastrophe.

The Congress must get into the race to avert the next catastrophe. The squeeze on domestic discretionary spending these past years has done a lot of damage to the infrastructure of our Nation. It has resulted in budgetary shortfalls that are wholly irresponsible, and they must be addressed.

Look at FEMA's inability to respond to natural disasters. Look at the shortfalls in the Low-Income Home Energy Assistant Program, LIHEAP, affecting so many of our States. Look at the shortfalls in our homeland security, where glaring vulnerabilities along the border are left to linger year after year after year. Look at the shortfalls in the funding for our veterans. The problems at Walter Reed did not happen because our military is not committed to caring for its wounded. It happened because we have an administration that is trying to cut corners in order to pay for its tax breaks for wealthy Americans.

Look at the Department of Labor, where the administration chipped away at the mine safety budget for 6 years until it had lost 217 inspectors, undermined the enforcement of the Mine Act, and left coal miners underground with inadequate safety equipment. It is no coincidence that mining deaths increased to record numbers last year, while the administration cut the coal enforcement budget, reduced the number of safety inspectors, and reduced the severity of enforcement actions against habitual violators.

Gas and energy prices are on the rise again, and, still, the President's budget does not adequately address our Nation's congested roads, our overcrowded transit and rail systems, or the energy bottlenecks causing higher prices and electricity failures and power outages. These are the festering signs of our Nation's infrastructure slowly being starved.

When the catastrophes come, they are Hurricanes that brutalize our cities and people, or scandals that surface at our Nation's veterans facilities, or tragedies that take the lives of our coal miners underground due to lack of sufficient Federal inspections.

I reject the administration's tactics of cutting funds and hiding the con-

sequences until a catastrophe hits. I reject that kind of Russian roulette. I reject the notion that the health and safety of the American people is less important than extending a tax cut. Today, the Congress has an opportunity to reject that approach, and I hope that it does reject it.

We must have a budget that sets realistic spending levels. That is the only way to real budget enforcement and discipline. The last Congresses pinned their expectations to pie-in-the-sky, fantasy spending levels that were totally disconnected from reality. When those budgets proved inadequate and the appropriations process stalled, the Congress was forced to consider massive off-budget supplementals and end-of-the-year continuing resolutions and omnibus spending bills that exempted hundreds of billions of dollars of spending from the oversight of the regular appropriations process. The result was always higher deficits, and less accountability to the American people.

The budget before the Senate today rejects that approach. It sets realistic spending levels that would allow the Congress to consider the annual appropriations bills in a timely manner, and subject those bills to debate and amendments in the Senate. That is the best kind of enforcement mechanism—full and open debate and amendments. This budget sets a discretionary spending level of \$949 billion in the fiscal year 2008, \$16 billion above the President's request, and above the President's requested freeze at fiscal year 2007 levels for domestic programs. The Congress must address the unacceptable cuts in health care, veterans programs, and other critical priorities that have been proposed by the President.

This budget is practical, and it is tough. This is not a budget lacking in enforcement mechanisms, and they would apply equally and fairly to all pieces of the budget revenues, mandatory entitlements, and discretionary spending. This budget caps discretionary spending in the fiscal year 2008, subject to a 60-vote point of order. It caps advance appropriations in the fiscal years 2009 and 2010, and it creates a 60-vote point of order against both emergency defense and nondefense spending, to limit the kind of budget gimmickry that has been used in the past to circumvent the discretionary spending caps. On the revenue and mandatory entitlement side of the ledger, this budget restores pay-go budget enforcement, subjecting new mandatory spending and tax cuts that are not offset to a 60-vote point of order. It also creates a 60-vote point of order against reconciliation legislation that worsens the deficit, causes a deficit, or reduces a surplus by decreasing revenues or increasing spending. Here, more than anywhere else, is where the budget process has been abused the most. Budget reconciliation has been used to shield controversial tax cuts from debate and amendments in the

Senate, which have added trillions of dollars to the national debt. This budget will stop such egregious practices from continuing.

This budget gives the Congress the flexibility it needs to address the gross deficiencies in the president's request, and it demands savings from every piece of the budget—revenues, discretionary, and mandatory—in order to do it. This budget is evenhanded and fair, and its spending levels can be enforced.

I commend the chairman of the Budget Committee for writing a budget that sets a new course. I hope that the Senate follows the lead of our chairman. He is trying to address the next catastrophe before it happens. He is trying to set enforceable spending limits to rein in this administration's budget deficits. He is doing the right thing with this budget. It deserves the support of the Senate.

Mr. MCCONNELL. Mr. President, the great untold story of the post-9/11 period is the recovery of America's will to move on, despite new threats, and build an even stronger economy, an even stronger America than before. We gave the American people the tools they needed to help themselves and then we got out of the way.

We eliminated the marriage penalty and doubled the child tax credit. We created a tuition tax deduction. We increased the deduction on charitable gifts and put the death tax on the road to extinction. We slashed the tax on capital gains and dividends.

The American people took care of the rest. They took all these things and unleashed a flood of economic activity that is still lifting the tide for tens of millions of working families and retirees. We look out at the American economy today with amazement. Despite 9/11, despite a recession, despite Katrina, despite a war, we see: 4.5 percent unemployment—lower than the average of the last four decades. An economy that is grown at 3.4 percent over the last four quarters. More than 7.2 million new jobs since August '03.

That is more jobs over the last 4 years than the European Union and Japan—combined.

China may have the world's fastest growing economy. But its entire GDP is less than the amount that ours has grown in the last 5½ years.

New jobs create new revenue, and it's been pouring into the U.S. Treasury at a staggering clip. Since we cut taxes on capital gains, tax revenues exceeded government estimates by more than two-thirds.

President Bush looked out over this economic landscape too, and he gave us a budget that builds on it, that advocates discipline and anticipates continued strong revenues by keeping tax cuts in place.

That is the formula for continuing to shrink the deficit and leading us to a surplus. And we had reason to think the Democrats would embrace it, even on taxes, when my good friend the senior Senator from Nevada said back in November that raising taxes would be, "Unacceptable."

Well, we should have known better. Budget week is like an annual debutante ball for the Democrats. They step out so everybody can take a good look at them, but their budgets never look good in the lights.

The budget they proposed this week was a disaster. It restored the marriage tax, cut the child credit in half, lowered deductions on everything from charitable gifts to college tuition, and raised taxes on capital gains and dividends. It wasn't just a tax increase. It was the mother of all tax increases. Nearly four times bigger than the previous record.

It reversed every tax cut we passed, and its passage would have resulted in a tax increase on every single taxpayer in America.

A family of four with two kids and an annual income of \$56,300 would pay an extra \$2,000.

Nearly 50 million married couples would pay an extra \$2,700 each year in taxes.

More than 10 million single mothers would see their tax bill go up by more than \$1,000.

Seventeen million seniors would see their taxes go up by more than \$2,000.

Spending wasn't any better.

Here too, we thought the Democrats might be coming around. The day before the President's budget was released, my good friend, the Senior Senator from North Dakota, said:

We need to be tough on spending. The week after that, he went even farther, saying we should sharply inhibit the growth of spending.

But then the curtain fell, and we saw the reality. The Democrats proposed to increase nonessential spending over the President's budget by nearly \$150 billion.

And as if that wasn't enough, in addition to the tax hikes we could see, they set up 20 new accounts that they planned to fill up with money they had raised from a raft of new taxes they didn't even specify. Most of these funds are for worthy purposes. But let's be honest with the American people and pay for these programs by trimming waste, fraud, and abuse instead of open-ended tax hikes down the road.

Republicans opened this Congress with a pledge to work with Democrats. We gave them a soaring economy and an offer to take advantage of divided government to do big things, as divided governments have in the past. One of the big things we proposed was entitlement reform. Every Member of this Chamber knows Social Security is unsustainable in its current form. Yet the budget writers ignored the problem altogether. They proposed to raise \$916 billion in new taxes—and to spend it. Budget week is when the rhetoric meets reality; and one of the sad realities this budget revealed was that Democrats weren't serious about reform this week.

Oh they will deny it. Just like they have tried to deny that the tax hikes in this budget are tax hikes.

After I and my colleagues pointed out the new taxes in this budget, the

senior Senator from North Dakota rose to say that we were letting our imaginations get the better of us. He said the Democratic budget contained "no proposed tax increase."

But then, one day after rising on the floor to insist that there were no new taxes in this budget, he and his Democratic colleagues admitted as much. They voted for an amendment that would reduce some of the more unsavory tax increases in their budget.

Well, you don't need to be Einstein to know that you can't lower a tax increase that doesn't exist.

The upshot of that amendment is that the budget we are now being asked to vote on no longer represents a tax hike four times larger than the previous record.

We are being asked to vote on a tax hike nearly three times bigger than the previous record—and, in the process, to get in the way of an economic expansion, increase nonessential spending by tens of billions of dollars, and do absolutely nothing about a pending entitlement crisis.

Republicans wouldn't do any one of those things, let alone all four. And we urge our colleagues on other side to reconsider the damage they plan to inflict on Americans who have worked hard to rebuild and reenergize this country over the last 5 years.

Their current budget would squeeze three-quarters of a trillion dollars out of the American taxpayer without shaving so much as a dime from a single government program. This is the very definition of tax and spend. It represents a tremendous missed opportunity. And it is a terrible disappointment.

When Republicans proposed to accomplish big things, this isn't what we had in mind.

This budget is a big mistake. Republicans can't support it.

Mr. CONRAD. Mr. President, let me say for the colleagues who are waiting, we are working on a final package of amendments to be adopted by unanimous consent. That package has many amendments by many colleagues. It has to go through a vetting process. It is not quite complete. As soon as it is, we will move to that and then to final passage.

I thank my colleagues for their extraordinary cooperation. So many colleagues have agreed to withhold amendments. It has been very helpful. We have to have this final process complete before we can go to final passage.

While we are awaiting that package, I would like to take this opportunity to thank the staffs who have made truly an extraordinary effort. Mary Naylor, my staff director; John Righter, my deputy staff director; the counsel, Lisa Konwinski; Kobye Noel, who is the one who does all of our charts. I know my colleagues enjoy them; Joel Friedman, my other deputy staff director; Steve Bailey, who does the tax

work; and Jamie Morin, who does defense. I thank all of the others on my staff who have done such an extraordinary job working nights and weekends for weeks—Steve Posner, Stu Nagurka, David Vandivier, Mike Jones, Jim Esquea, Sarah Kuehl, Jim Miller, Joan Huffer, Cliff Isenberg, Brodi Fontenot, Robyn Hiestand, Susan Reeves, Jim Klumpner, Anne Page, Ben Soskin, and Josh Ryan. I thank each and every one of my staff.

I also wish to recognize the extraordinary professionalism of Senator GREGG's staff. They are absolutely first rate and absolutely dependable—people whose word you can count on. Of course, no one is better than the ranking member, Senator GREGG. He has demonstrated over and over his willingness to cooperate; more than that, his professionalism and also his extraordinary knowledge of the budget. I wish to thank all of those who have participated.

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

Mr. GREGG. Mr. President, I wish to join Senator CONRAD in thanking both our staffs. They are exceptional. They are incredibly talented people. They work extraordinary hours: Mary Naylor and her team on that side. Scott Gudes, Denzel McGuire on our side, including Allison Parent, Jim Hearn, Cheri Reidy, Dan Brandt, Dave Fisher, Conwell Smith, Jay Kholsa, Richie Weiblinger, Seems Mittal, Vanessa Green, Winnie Cheung, Betsy Holahan, Jeff Turcotte, David Myers, Jason Delisk, Dave Pappone, Jennifer Pollum, Mike Lofgren, Kevin Bargo, Matt Giroux, Liz Wroe, and Lynne Seymour, our team that works so well over here. They are special people who put in an extraordinary amount of effort on behalf of the American people. We thank them for it. This is a complex bill. It involves many nights of work and takes a lot of time to work it up into a final package. As you can see from the amount of paper that is being run around right now, it is extraordinary that we are able to keep it straight, and it is because of their extraordinary ability.

I also wish to thank the staff on the dais, the Senate staff. This is probably the most difficult bill the Senate deals with because there are so many votes that come so quickly in such rapid succession and they always do an exceptional job and I very much appreciate it.

Finally, I wish to thank the chairman, Senator CONRAD, who treats us with dignity, respect and fairness and runs an extremely professional shop as chairman of the Budget Committee and who is committed to making sure the integrity of the Senate and the process of the Senate remains professional. We thank him for that, and we thank him for his assistance.

Mr. REID. Mr. President, I so appreciate the two managers of this bill. A year ago the roles were reversed. Sen-

ator JUDD was the chairman. Senator CONRAD was the ranking member. Mr. President, the way they operate it doesn't matter. They truly set an example of how the Senate should operate. I say—and I say this without any reservation or qualification—these two fine Senators deserve a hand.

Mr. GREGG. Actually, last year Senator GREGG was in charge. This year, Senator JUDD is in charge.

Mr. REID. Mr. President, I ask unanimous consent that on Monday, following morning business, the Senate proceed to the consideration of H.R. 1591.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, this being the case, there will be no votes on Monday. We have done such a great job here, and we are moving to the supplemental on Monday. There will be no votes Monday. We will have a tough week on Tuesday, Wednesday, Thursday, and Friday perhaps, but we made great progress, and I think the Senate should feel good about the work we have accomplished.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. MCCONNELL. Let me add my word of thanks to Chairman CONRAD and Senator GREGG. They have done a spectacular job on this budget, and I wish to thank my Senators on this side of the aisle for cooperating in such a way that we are going to finish this bill at midafternoon on Friday, one of the earliest completion times we have had.

Finally, with regard to next week, it is the view of the Republican side of the aisle that we need to finish that bill next week. The troops need the money. There is a veto threat out against the bill potentially if it is not fixed on the floor of the Senate. So we need to wrap up that bill up next week, and we will be working cooperatively on this side of the aisle to achieve that goal.

I yield the floor.

AMENDMENTS NOS. 580; 599; 632; 617; 540; 611, AS MODIFIED; 544; 524; 596; 600; 537; 627; 639; 589; 470, AS MODIFIED; 572; 551, AS MODIFIED; 629, AS MODIFIED; 636; 633; 635; 506; 548; AND 640.

Mr. CONRAD. Mr. President, I ask unanimous consent that the following managers' amendments be considered en bloc, that they be agreed to en bloc, and the motions to reconsider be laid upon the table: Senator Nelson, No. 580; Senator Obama, No. 599; Senator Levin, No. 632; Senator Casey, No. 617; Senator Carper, No. 540; Senator Pryor, No. 611, with a modification; Senator Dorgan, No. 544; Senator Obama, No. 524; Reed-Collins, No. 596; Bingaman-Domenici, No. 600; Webb, No. 537; Pryor, No. 627; 639; Baucus-Grassley amendment, which is at the desk; Dorgan-Snowe, No. 589, with Senator Stabenow; Senator Voinovich, No. 470, with a modification; Senator Coleman, No. 572; Senator Murkowski, No. 551, with a modification; Snowe, No. 629, with a

modification; Senator Grassley, No. 636; Senator Dole, No. 633; Senator Enzi, No. 635; Senator Specter, No. 506; Senator Grassley, No. 548; and the Dole amendment 640, which is at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendments were agreed to as follows:

AMENDMENT NO. 580

(Purpose: To make funds available to ensure that Survivor Benefit Plan annuities are not reduced by the amount of veterans' dependency and indemnity compensation received by military families)

On page 49, line 17, insert after "disabled military personnel" the following: "or veterans (including the elimination of the offset between Survivor Benefit Plan annuities and veterans' dependency and indemnity compensation)".

AMENDMENT NO. 599

(Purpose: To add \$200 million for Function 270 (Energy) for the demonstration and monitoring of carbon capture and sequestration technology by the Department of Energy)

On page 11, line 9, increase the amount by \$200,000,000.

On page 11, line 10, increase the amount by \$50,000,000.

On page 11, line 14, increase the amount by \$70,000,000.

On page 11, line 18, increase the amount by \$50,000,000.

On page 11, line 22, increase the amount by \$10,000,000.

On page 12, line 1, increase the amount by \$10,000,000.

On page 26, line 12, decrease the amount by \$200,000,000.

On page 26, line 13, decrease the amount by \$50,000,000.

On page 26, line 17, decrease the amount by \$70,000,000.

On page 26, line 21, decrease the amount by \$50,000,000.

On page 26, line 25, decrease the amount by \$10,000,000.

On page 27, line 4, decrease the amount by \$10,000,000.

AMENDMENT NO. 632

(Purpose: To provide for a deficit-neutral reserve fund for manufacturing initiatives)

At the end of title III, add the following:
SEC. ____ DEFICIT-NEUTRAL RESERVE FUND FOR MANUFACTURING INITIATIVES.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports, including tax legislation, that would revitalize the United States domestic manufacturing sector by increasing Federal research and development, by expanding the scope and effectiveness of manufacturing programs across the Federal government, by increasing support for development of alternative fuels and leap-ahead automotive and energy technologies, and by establishing tax incentives to encourage the continued production in the United States of advanced technologies and the infrastructure to support such technologies, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 617

(Purpose: To establish a deficit neutral reserve fund for extending preschool opportunities to children)

After section 322, insert the following:

SEC. 322A. DEFICIT-NEUTRAL RESERVE FUND FOR PRESCHOOL OPPORTUNITIES.

If the Committee on Health, Education, Labor, and Pensions of the Senate, reports a bill or a joint resolution, or an amendment is offered in the Senate to such a bill or joint resolution, or a conference report is submitted to the Senate on a such a bill or joint resolution, that augments or establishes a Federal program that provides assistance to States that offer or expand preschool to children of low-income families, the Chairman of the Committee on the Budget of the Senate may revise the aggregates, allocations, and other appropriate levels in this resolution by amounts provided in such measure for that purpose, provided that such legislation would not increase the deficit for the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 540

(Purpose: To reduce the deficit through the use of recovery audits)

At the appropriate place, insert the following:

SEC. ____ . DEFICIT-REDUCTION RESERVE FUND FOR INCREASED USE OF RECOVERY AUDITS.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, functional totals, and other appropriate levels and limits in this resolution upon enactment of legislation that achieves savings by requiring that agencies increase their use of the recovery audits authorized by the Erroneous Payments Recovery Act of 2001 (section 831 of the National Defense Authorization Act for FY2002) and uses such savings to reduce the deficit, provided that the legislation would not increase the deficit over the total of fiscal years 2007 through 2012.

AMENDMENT NO. 611, AS MODIFIED

(Purpose: To increase the budgeting totals for the National Nanotechnology Initiative for environmental, health and safety research and development for fiscal years 2008 through 2012)

- On page 10, line 9, increase the amount by \$40,000,000.
- On page 10, line 10, increase the amount by \$40,000,000.
- On page 10, line 13, increase the amount by \$40,000,000.
- On page 10, line 14, increase the amount by \$40,000,000.
- On page 10, line 17, increase the amount by \$40,000,000.
- On page 10, line 18, increase the amount by \$40,000,000.
- On page 10, line 21, increase the amount by \$40,000,000.
- On page 10, line 22, increase the amount by \$40,000,000.
- On page 10, line 25, increase the amount by \$40,000,000.
- On page 11, line 1, increase the amount by \$40,000,000.
- On page 26, line 12, decrease the amount by \$40,000,000.
- On page 26, line 13, decrease the amount by \$40,000,000.
- On page 26, line 16, decrease the amount by \$40,000,000.
- On page 26, line 17, decrease the amount by \$40,000,000.
- On page 26, line 20, decrease the amount by \$40,000,000.
- On page 26, line 21, decrease the amount by \$40,000,000.
- On page 26, line 24, decrease the amount by \$40,000,000.
- On page 26, line 25, decrease the amount by \$40,000,000.
- On page 27, line 3, decrease the amount by \$40,000,000.
- On page 27, line 4, decrease the amount by \$40,000,000.

AMENDMENT NO. 544

(Purpose: To provide for the use of the deficit-neutral reserve fund for tax relief for enhancing charitable giving from individual retirement accounts)

On page 50, line 8, insert “, such as enhanced charitable giving from individual retirement accounts,” before “and”.

AMENDMENT NO. 524

(Purpose: To provide \$100 million for the Summer Term Education Program supporting summer learning opportunities for low-income students in the early grades. Program will lessen summer learning losses that contribute to the achievement gaps separating low-income students from their middle-class peers)

- On page 17, line 12, increase the amount by \$100,000,000.
- On page 17, line 13, increase the amount by \$2,000,000.
- On page 17, line 17, increase the amount by \$58,000,000.
- On page 17, line 21, increase the amount by \$30,000,000.
- On page 17, line 25, increase the amount by \$10,000,000.
- On page 26, line 12, decrease the amount by \$100,000,000.
- On page 26, line 13, decrease the amount by \$2,000,000.
- On page 26, line 17, decrease the amount by \$58,000,000.
- On page 26, line 21, decrease the amount by \$30,000,000.
- On page 26, line 25, decrease the amount by \$10,000,000.

AMENDMENT NO. 596

(Purpose: To increase LIHEAP spending by \$703 million in FY 2008 for a total LIHEAP level of \$3.2 billion, divided between the regular and contingency grant funds at FY2006 levels)

- On page 20, line 12, increase the amount by \$703,000,000.
- On page 20, line 13, increase the amount by \$527,000,000.
- On page 20, line 17, increase the amount by \$162,000,000.
- On page 20, line 21, increase the amount by \$14,000,000.
- On page 26, line 12, decrease the amount by \$703,000,000.
- On page 26, line 13, decrease the amount by \$527,000,000.
- On page 26, line 17, decrease the amount by \$162,000,000.
- On page 26, line 21, decrease the amount by \$14,000,000.

AMENDMENT NO. 600

(Purpose: To establish a deficit-neutral reserve fund to provide for a delay in the implementation of a proposed rule relating to the Federal-State financial partnerships under Medicaid and SCHIP)

At the appropriate place, insert the following:

SEC. ____ . DEFICIT-NEUTRAL RESERVE FUND FOR A DELAY IN THE IMPLEMENTATION OF A PROPOSED RULE RELATING TO THE FEDERAL-STATE FINANCIAL PARTNERSHIPS UNDER MEDICAID AND SCHIP.

The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides for a delay in the implementation of the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations) or any other rule that would affect the Medicaid program and SCHIP in a similar

manner, by the amounts provided in that legislation for that purpose, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 537

(Purpose: To include in the veterans’ reserve fund a provision for GI educational benefits)

On page 59, line 7, after “erans” insert “, including GI educational benefits”.

AMENDMENT NO. 627

(Purpose: To provide additional funding for the Consumer Product Safety Commission to enhance its mission of protecting the public from unreasonable risks of serious injury or death from consumer products)

- On page 18, line 12, increase the amount by \$10,000,000.
- On page 18, line 13, increase the amount by \$10,000,000.
- On page 18, line 16, increase the amount by \$10,000,000.
- On page 18, line 17, increase the amount by \$10,000,000.
- On page 18, line 20, increase the amount by \$10,000,000.
- On page 18, line 21, increase the amount by \$10,000,000.
- On page 18, line 24, increase the amount by \$10,000,000.
- On page 18, line 25, increase the amount by \$10,000,000.
- On page 19, line 3, increase the amount by \$10,000,000.
- On page 19, line 4, increase the amount by \$10,000,000.
- On page 26, line 12, decrease the amount by \$10,000,000.
- On page 26, line 13, decrease the amount by \$10,000,000.
- On page 26, line 16, decrease the amount by \$10,000,000.
- On page 26, line 17, decrease the amount by \$10,000,000.
- On page 26, line 20, decrease the amount by \$10,000,000.
- On page 26, line 21, decrease the amount by \$10,000,000.
- On page 26, line 24, decrease the amount by \$10,000,000.
- On page 26, line 25, decrease the amount by \$10,000,000.
- On page 27, line 3, decrease the amount by \$10,000,000.
- On page 27, line 4, decrease the amount by \$10,000,000.

AMENDMENT NO. 639

(Purpose: To establish a reserve fund to improve the health care system)

At the end of title III, add the following:

SEC. ____ . RESERVE FUND TO IMPROVE THE HEALTH CARE SYSTEM.

If the Senate Committee on Finance—
(1) reports a bill, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) creates a framework and parameters for the use of Medicare data for the purpose of conducting research, public reporting, and other activities to evaluate health care safety, effectiveness, efficiency, quality, and resource utilization in Federal programs and the private health care system; and

(B) includes provisions to protect beneficiary privacy and to prevent disclosure of proprietary or trade secret information with respect to the transfer and use of such data; and

(2) is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974, the Chairman of the Senate Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures

to reflect such legislation provided that such legislation would not increase the deficit for fiscal year 2008, and for the period of fiscal years 2008 through 2012.

AMENDMENT NO. 589

(Purpose: To establish a reserve fund for the safe importation of FDA-approved prescription drugs)

On page 62, between lines 7 and 8, insert the following:

SEC. 322A. DEFICIT-NEUTRAL RESERVE FUND FOR THE SAFE IMPORTATION OF FDA-APPROVED PRESCRIPTION DRUGS.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other levels in this resolution for a bill, joint resolution, motion, amendment, or conference report that permits the safe importation of prescription drugs approved by the Food and Drug Administration from a specified list of countries, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 470, AS MODIFIED

At the end of title II, insert the following:
SEC. . DISCLOSURE OF INTEREST COSTS.

(a) POINT OF ORDER.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that is required to contain the statement described in section 308(a) of the Congressional Budget Act of 1974, unless such statement contains a projection by the Congressional Budget Office of the cost of the debt servicing that would be caused by such legislation for such fiscal year (or fiscal years) and each of the 4 ensuing fiscal years.

(b) SUPERMAJORITY WAIVER AND APPEAL.—

(1) WAIVER.—In the Senate, subsection (a) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—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 subsection (a).

AMENDMENT NO. 572

(Purpose: To increase funds for the implementation of the forest management plans developed for the States of Minnesota, Michigan, and Wisconsin, with an offset)

On page 12, line 9, increase the amount by \$50,000,000.

On page 12, line 10, increase the amount by \$40,000,000.

On page 12, line 14, increase the amount by \$10,000,000.

On page 26, line 12, decrease the amount by \$50,000,000.

On page 26, line 13, decrease the amount by \$40,000,000.

On page 26, line 17, decrease the amount by \$10,000,000.

AMENDMENT NO. 551, AS MODIFIED

On page 11, line 9, increase the amount by \$125,000,000.

On page 11, line 10, increase the amount by \$56,000,000.

On page 11, line 14, increase the amount by \$50,000,000.

On page 11, line 18, increase the amount by \$13,000,000.

On page 11, line 22, increase the amount by \$6,000,000.

On page 26, line 12, decrease the amount by \$125,000,000.

On page 26, line 13, decrease the amount by \$56,000,000.

On page 26, line 17, decrease the amount by \$50,000,000.

On page 26, line 21, decrease the amount by \$13,000,000.

On page 26, line 25, decrease the amount by \$6,000,000.

AMENDMENT NO. 629, AS MODIFIED

On page 50, line 8, insert “and including the reauthorization of the new markets tax credit under section 45D of the Internal Revenue Code of 1986 for an additional 5 years” after “refundable tax relief”.

AMENDMENT NO. 636

(Purpose: To establish a reserve fund to improve payment accuracy for hospitals under the Medicare program)

At the end of title III, insert the following:

SEC. . RESERVE FUND TO IMPROVE MEDICARE HOSPITAL PAYMENT ACCURACY.

If the Senate Committee on Finance—

(1) reports a bill, or if an amendment is offered thereto, or if a conference report is submitted thereon, that—

(A) addresses the wide and inequitable disparity in the reimbursement of hospitals under the Medicare program;

(B) includes provisions to reform the area wage index used to adjust payments to hospitals under the Medicare hospital inpatient prospective payment system under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)); and

(C) includes a transition to the reform described in subparagraph (B); and

(2) is within its allocation as provided under section 302(a) of the Congressional Budget Act of 1974,

the Chairman of the Senate Committee on the Budget may revise allocations of new budget authority and outlays, the revenue aggregates, and other appropriate measures to reflect such legislation provided that such legislation would not increase the deficit for the period of fiscal years 2008 through 2012.

AMENDMENT NO. 633

(Purpose: To provide the Secretary of Agriculture with the necessary funding to effectively address the critical water and waste water needs of rural communities in the United States)

On page 16, line 10, increase the amount by \$50,000,000.

On page 16, line 11, increase the amount by \$7,500,000.

On page 16, line 14, increase the amount by \$50,000,000.

On page 16, line 15, increase the amount by \$15,000,000.

On page 16, line 18, increase the amount by \$50,000,000.

On page 16, line 19, increase the amount by \$30,000,000.

On page 16, line 22, increase the amount by \$50,000,000.

On page 16, line 23, increase the amount by \$40,000,000.

On page 17, line 2, increase the amount by \$50,000,000.

On page 17, line 3, increase the amount by \$50,000,000.

On page 26, line 12, decrease the amount by \$50,000,000.

On page 26, line 13, decrease the amount by \$7,500,000.

On page 26, line 16, decrease the amount by \$50,000,000.

On page 26, line 17, decrease the amount by \$15,000,000.

On page 26, line 20, decrease the amount by \$50,000,000.

On page 26, line 21, decrease the amount by \$30,000,000.

On page 26, line 24, decrease the amount by \$50,000,000.

On page 26, line 25, decrease the amount by \$40,000,000.

On page 27, line 3, decrease the amount by \$50,000,000.

On page 27, line 4, decrease the amount by \$50,000,000.

AMENDMENT NO. 635

(Purpose: To provide for a deficit-neutral reserve fund to improve health insurance)

At the appropriate place, insert the following:

SEC. . DEFICIT-NEUTRAL RESERVE FUND TO IMPROVE HEALTH INSURANCE.

If a Senate committee reports a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that, with appropriate protections for consumers, reduces growth in the number of uninsured Americans, improves access to affordable and meaningful health insurance coverage, improves health care quality, or reduces growth in the cost of private health insurance by facilitating market-based pooling, including across State lines, and a bill or joint resolution, or if an amendment is offered thereto, or if a conference report is submitted thereon, that, with appropriate protections for consumers, provides funding for State high risk pools or financial assistance, whether directly, or through grants to States to enhance the effectiveness of such pooling or to provide other assistance to small businesses or individuals, including financial assistance, for the purchase of private insurance coverage, the Chairman of the Committee on the Budget may make appropriate adjustments in allocations and aggregates for fiscal year 2007 and for the period of fiscal years 2008 through 2012, provided that such legislation would not increase the deficit over the total of the period of fiscal years 2007 through 2012.

AMENDMENT NO. 506

(Purpose: To increase funding for the National Institutes of Health, the Centers for Disease Control and Prevention, and the health professions)

On page 18, line 12, increase the amount by \$2,200,000,000.

On page 18, line 13, increase the amount by \$2,200,000,000.

On page 26, line 12, decrease the amount by \$2,200,000,000.

On page 26, line 13, decrease the amount by \$2,200,000,000.

AMENDMENT NO. 548

(Purpose: To ensure that Medicare payments to physicians include incentives to improve the quality and efficiency of care furnished to Medicare beneficiaries)

On page 53, line 22, insert “and that includes financial incentives for physicians to improve the quality and efficiency of items and services furnished to Medicare beneficiaries through the use of consensus-based quality measures” after “Act”.

AMENDMENT NO. 640

(Purpose: To provide the Secretary of Agriculture with the necessary funding to implement a pilot program authorized by the Richard B. Russell National School Lunch Act to study the elimination of the reduced-price category for school lunches)

On page 20, line 12, increase the amount by \$10,000,000.

On page 20, line 13, increase the amount by \$10,000,000.

On page 20, line 16, increase the amount by \$10,000,000.

On page 20, line 17, increase the amount by \$10,000,000.

On page 20, line 20, increase the amount by \$3,000,000.

On page 20, line 21, increase the amount by \$3,000,000.

On page 26, line 12, decrease the amount by \$10,000,000.

On page 26, line 13, decrease the amount by \$10,000,000.

On page 26, line 16, decrease the amount by \$10,000,000.

On page 26, line 17, decrease the amount by \$10,000,000.

On page 26, line 20, decrease the amount by \$3,000,000.

On page 26, line 21, decrease the amount by \$3,000,000.

AMENDMENT NO. 596

Mr. REED. Mr. President, I would like to thank the Chairman of the Budget Committee for his efforts to include my bipartisan amendment to increase the allocation for LIHEAP, the Low-Income Home Energy Assistance Program, to \$3.2 billion in the budget resolution. As the chairman knows, this is the level that was recommended in a bipartisan letter signed by 35 governors and is the minimum level of funding needed to allow States to provide the same level of assistance as in fiscal year 2006.

The rise in energy prices has led to an increase in the number of families seeking and receiving assistance. In fiscal year 2006, with an additional \$1 billion, over 500,000 additional households were served by LIHEAP, increasing the total to 5.6 million. However, that represents less than 15 percent of the eligible households.

LIHEAP is not only a heating program, it is also a cooling program. The number of households receiving cooling assistance increased to 540,000 in fiscal year 2006, up from 315,000 in 2005.

LIHEAP provides a vital safety net for our Nation's low-income households by helping them remain healthy and secure during bitterly cold winters in the North and hot summers in the South. For many low-income families, disabled individuals, and senior citizens living on fixed incomes, home energy costs are unaffordable. Low-income families pay close to 18 percent of their income on energy. The average family only pays 4 percent.

According to a recent survey conducted by the National Energy Assistance Directors Association, NEADA, families who receive LIHEAP are very poor and have few choices but to cut back on food, medicine, and other essentials in order to pay their home energy costs when funding is inadequate to meet the need. Sixty-four percent of those surveyed said that without LIHEAP, they would have had to keep their home at an unsafe or unhealthy temperature. Fifty-four percent said that they would have had their electric or gas service disconnected if LIHEAP benefits had not been available.

Increasing funding for this vital and valuable program remains a top priority for me. I am grateful that the Senate has accepted this bipartisan amendment.

I also want to reiterate my comments from yesterday about this budget resolution. Chairman CONRAD has worked tirelessly to ensure that this resolution meets the pressing needs of the American people and restores the fiscal discipline that has been lacking for several years.

We have been charting an unsustainable fiscal policy course over

the last 6 years. Instead of a \$505 billion surplus in 2006, Republican fiscal policies left us with a deficit of \$248 billion. Reversing this course and restoring balance is essential to our economic well-being. This budget takes the necessary steps toward equilibrium by achieving a balanced budget by 2012 and providing funding for essential programs that improve the lives of hard-working Americans who have been struggling during this sluggish economic recovery.

It includes necessary funding for the State Children's Health Insurance Program, SCHIP; a program that provides a vital safety net to millions of families who do not earn enough to buy health insurance for their children.

The budget also includes language that allows for the establishment of an affordable housing fund financed by government-sponsored enterprises. This affordable housing fund will provide grants for the production, preservation, and rehabilitation of affordable housing for very low-income families.

The budget resolution reinforces our commitment to America's veterans by including \$43.1 billion for discretionary veterans' programs and rejecting the President's proposed increases in fees on veterans enrolled in the VA health care system.

I was also pleased to see that this budget rejects the President's proposed cuts in funding for education and training programs and instead appropriately invests in these necessary endeavors, in part by including significant increases in funding for the Department of Education—\$6.1 billion above the President's request and \$4 billion above the FY07 inflation-adjusted level.

I thank Chairman CONRAD and his staff for their hard work in producing this budget, which is both supportive of the needs of the American people and fiscally sound. I will support this resolution and urge my colleagues to do the same.

Ms. SNOWE. Mr. President, last year on March 20, the President signed S. 2320, which augmented funding for the Low Income Home Energy Assistance program. In light of the historically high energy costs, it was prudent to shift funding to accommodate for the reduced purchasing power of the vital program. As many of us know, disaster was narrowly averted last winter and the summer of 2006.

With heating oil at \$2.45 a gallon in Maine, we must recognize that energy prices will continue to burden the citizens who are most susceptible to heat and cold in the coming fiscal year. As we know in each of our states, energy is a necessity of life during extreme weather. In fact, it has been found that 73 percent of households have been forced to cut back on, and even go without other necessities such as food, prescription drugs and mortgage and rent payments. The LIHEAP program is, for many low-income families and our Nation's elderly, is the only barrier from nature's elements.

This program is a national program. In fiscal year 2006 LIHEAP assisted 5,710,000 households in the United States, including 48,000 households in Maine. In Fiscal Year 2006, the nearly 6 million households that received funding only represented 25 percent of the households eligible for assistance. Unfortunately, that figure illustrates that with the exponential rise in energy prices, this program has become an even more vital program.

This is also reflected in level of support from our Nation's governors. On February 15th, a bipartisan group of 35 governors wrote the leadership of the House and Senate stating that "In 2006, we were grateful that Congress made a significant investment in LIHEAP, recognizing that soaring energy prices required additional funding for the program." The letter further reads that, "We urge you to use the 2006 funding level of \$3.2 billion as a base to build from in the future—not a one time emergency investment in energy assistance." The letter was signed by governors with diverse political views and from a distinct regions including Georgia, Louisiana, Maine, North Carolina, Oklahoma, and South Dakota. This is a national program and, accordingly, it has national support.

It is incumbent on us to prepare the Nation's budget in light of the year's perceivable threats facing the United States and with our citizens in mind. Current energy prices present an impending crisis for the United State's most vulnerable. The LIHEAP program does not stem the effects of winter, but it quells the effects of energy prices and allays the fears of our Nation's most vulnerable citizens.

I believe that our Nation's budget should prioritize the Low Income Home Energy Assistance Program, and believe that an increase of an additional \$703 million represents a responsible and vital investment. I urge my colleagues to support this program.

AMENDMENT NO. 635

Mr. ENZI. Mr. President, I rise today, joined by Senators BEN NELSON, BAUCUS, GRASSLEY, KENNEDY, and SALAZAR, to offer a bipartisan amendment which creates a deficit neutral reserve fund that recognizes the significance of market-based pooling as a tool in addressing rising health insurance costs, and health care quality.

Market-based pooling is especially important for small businesses, which now have virtually no ability to use strength in numbers across State lines to negotiate better and more affordable coverage for their workers.

America faces an ever-widening gap between health care "haves" and "have nots." Without effective market pooling power, ever-growing numbers of small businesses and uninsured and underinsured Americans are slipping into the "have not" column. This is a tragic gap we can and must close.

Senator NELSON and I are actively discussing with our colleagues possible

bipartisan approaches. As the wide bipartisan support for today's amendment shows, we are on a promising track, and we intend to stick with it. Market-based pooling must be a part of any comprehensive health reform solution.

I urge my colleagues to support my amendment.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on the adoption of the concurrent resolution, as amended.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

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

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—52

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

NAYS—47

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

NOT VOTING—1

Johnson

The concurrent resolution (H. Con. Res. 21), as amended, was agreed to.

(The resolution will be printed in a future edition of the RECORD.)

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

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, we have now taken the next step on the journey to having a budget resolution in place for the Nation. It passed the committee and has now passed the Senate. This is an important turning point for the Congress, certainly for the Senate. Three of the last five years, our country has not had a budget. It is impor-

tant—critically important—for the Congress of the United States to agree on a budget. I would be the first one to say this is an imperfect budget, but it does advance the cause of having the discipline of a budget for our country.

I thank all of our colleagues who have worked to this end, even those who voted against it but who cooperated in the process. I especially thank Senator GREGG again and his outstanding professional staff. I see his staff director, Scott Gudes, who has been a true professional.

I very much appreciate having the chance to work with people of that caliber. And again, to my own staff director, Mary Naylor, who has worked such extraordinary hours, weekend after weekend, night after night until 10, 11, sometimes 2 in the morning, this has truly been an extraordinary effort, and I thank her, and I thank all of my staff. To many of them who are here, I say thank you. You have done this institution proud, and I appreciate it deeply.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period of up to 10 minutes each.

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

SPRINGTIME ARTISTRY

Mr. BYRD. Mr. President, once again, we welcome in the Spring.

Blossoms the thaw-wind pleasantly,

Drips the soaking rain,

By fits looks down the waking sun:

Young grass springs on the plain;

Young leaves clothe early hedgerow trees;

Seeds, and roots, and stones of fruits,

Swollen with sap put forth their shoots;

Curled-headed ferns sprout in the lane;

Birds sing and pair again.

There is no time like Spring,

When life's alive in everything . . .

—Christina Rossetti.

March 21 is the vernal equinox, when the day and night are, briefly, in perfect balance. It is the first day of spring. This year, of course, the early switch to daylight savings time has created the illusion of an earlier spring with the artificial and arbitrary establishment of darker mornings and longer evenings. I, for one, am happy to welcome an early spring. It is my favorite season, full of new hope and untarnished promise.

West Virginia has seen some snow this winter. The snow was welcomed by

skiers and farmers, but those of us who neither ski nor plow view snow more as a nuisance—something to be moved out of the way, something that complicates our commutes and closes the schools. Snow makes the world monochromatic, a palette that ranges along a single line from blinding white through the shades of gray to the tired black of grime-crusted snow along the roadways. We are ready for spring, ready for some light and for lots of vibrant color around us.

This year, the March winds again worked their artistry, blowing away the flotsam and jetsam of winter to uncover a clean canvas with just the sweeping curves of earth and the angular armature of tree limbs sketched in charcoal, awaiting the Master's hand to apply delicate springtime washes of color. Over the past weeks, we have seen the Master's skill at work in the first creeping stain of green across the lawns and fields, the soft blush of blossoms in the wild plum trees, the deepening blue of the sky. Each day, the colors have grown darker, richer, and more vibrant, as if the warm breezes carried them to us from some distant sunny clime. Bright details have begun to take shape in the scattered spangles of violet and yellow crocus and the bright accents of hardy daffodils amid their grass green leaves. Oh, daffodils—the poets write of you! The Boston poet Amy Lowell (1874–1925) wrote of you:

Thou yellow trumpeter of laggard Spring!
Thou herald of rich Summer's myriad flowers!

The climbing sun with new recovered powers
Does warm thee into being, through the ring
Of rich, brown earth he woos thee, makes thee fling

Thy green shoots up, inheriting the dowers
Of bending sky and sudden, sweeping showers,

Till ripe and blossoming thou art a thing

To make all nature glad, thou art so gay;

To fill the lonely with a joy untold;

Nodding at every gust of wind to-day,

To-morrow jeweled with raindrops.

Always bold

To stand erect, full in the dazzling play

Of April's sun, for thou has caught his gold.

Mr. President, spring would not be spring without the daffodils. Their delicate beauty and seemingly fragile petals belie their toughness. Year after year, the daffodils spread, competing with the grass and the tree roots to expand their beds. They manage to deter the onslaught of determined squirrels and other wild creatures who unearth and consume dainty and expensive spring bulbs like so many canapés at a reception. They push their way up into the sun through frozen ground and choking mats of fallen leaves. They defy howling winds and frigid nighttime temperatures. They survive people and houses to bloom on around the decaying foundations of long ago farmsteads. And they do it all with effortless beauty, inspiring us and filling us with joy. The first daffodil, like the first robin, is akin to the dove that brought the olive branch back to Noah—a reassurance to worried man