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No. 25

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, March 11, 2002, at 2 p.m.

Senate

FRIDAY, MARCH 8, 2002

The Senate met at 9:15 a.m. and was called to order by the Honorable JON S. CORZINE, a Senator from the State of New Jersey.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord God of truth, we praise You for the revelation of Your truth to people through history. We thank You for the lodestar leadership of Nathan Hale, the courageous revolutionary patriot, who in the moments before he was hanged said, "I only regret that I have but one life to lose for my country." His grandson, Everett Hale, Chaplain of the Senate from 1903 to 1909, gave us another memorable saying that becomes the theme of our prayerful reflection this morning: "I am only one, but I am one. I cannot do everything, but I can do something. What I can do, I should do and, with the help of God, I will do!"

Father, thank You that You have a plan for each of us. Give us Everett Hale's determination to trust You for the power to follow through on what You have given us the clear conviction to do. Bless the Senators with incisive intentionality for the challenges of this day. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON S. CORZINE led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 8, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JON S. CORZINE, a Senator from the State of New Jersey, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CORZINE thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

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

JOB CREATION AND WORKER ASSISTANCE ACT OF 2002

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the House message on H.R. 3090. The clerk will report the bill by title.

The legislative clerk read as follows: A bill (H.R. 3090) to provide tax incentives for economic recovery.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. DASCHLE. Mr. President, I move to concur in the House amendment and

ask unanimous consent that the time until 9:30 this morning be for debate with respect to the motion to concur, with the time equally divided and controlled between the two leaders; that the Democratic time be equally divided between the distinguished Senator from West Virginia, Mr. ROCKEFELLER, and the Senator from North Dakota, Mr. CONRAD; that upon the use or yielding back of time, the Senate proceed to a vote on the motion to concur in the House amendment to the Senate amendment to the House bill without further intervening action or debate.

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

Mr. DASCHLE. I thank my colleagues.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I was on the conference committee on the stimulus package prior to Christmas, which failed. That was predicated on unemployment insurance, health benefits, and money to help States with Medicaid. Two of the three are left out in this stimulus package. I urge my colleagues to vote against this stimulus package, which I consider to be hurtful to the States but will no doubt get virtually everybody's vote for the wrong reasons.

I have been fighting for the stimulus package for a long time, obviously since September 11. I cannot, in any sense of conscience, support this bill. This has about \$9 million to expand unemployment insurance. That is good. That is fine. That is one of the three.

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



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Two of the three we had to have we did not do; one, we did do. It also has \$86 billion in corporate tax breaks and eliminates the tax cuts for those lower income Americans who missed out on last summer's rebates. In other words, the people who did not get a rebate will continue not to get a rebate.

It provides no help for States at this critical time and, in fact, hurts them. On every Senator's desk Members will find the 46 of 50 States that are hurt. Members will see how much each State is hurt.

I am outraged this \$100 billion-plus bill was pushed to a vote, frankly, in the way that it was with, at best, totally inadequate notice to Senators, with no debate and discussion about the need for stimulus on a day after Alan Greenspan said that everything is going just fine.

Why are we ignoring the clear consensus among economists and our Federal Reserve chief? I cannot answer that. Maybe I can. We all say we want to defend the Nation, and we do. We want to fund a prescription drug benefit, and we do. We want to support better education for our children, and we do. But now, we are in deficit. Our surplus is gone. Critical needs remain. Are we addressing them? No. Can we afford nearly \$100 billion more in corporate tax breaks right now? No. Are we even going to discuss it? No, we are not.

This bill causes 46 States to lose \$14 billion in tax revenues at a time when they are already facing between \$40 and \$50 billion of debt. I spoke to my Governor last night. It will cost him \$86 million. He will have to cut Medicaid. He does not know where he will get the money. It is another nail in the coffin of the State which is not famed for being rich.

Mr. CONRAD. Mr. President, I acknowledge this stimulus package is a dramatic improvement over what the other body sent previously. That misses the larger point.

This morning's New York Times headline is interesting: "The Federal Reserve Chief Sees the Decline Over, House passes recovery bill."

It is the irony of ironies that, once again, Congress, in trying to provide fiscal stimulus, has acted too late. That is the history of Congress trying to use fiscal policy for stimulus. In fact, when the Budget Committee did an analysis, we found every single time we tried to act, we moved too late.

In the Washington Post this morning: "Greenspan Declares An Expansion," it reports that economists are now largely agreed that in this quarter the economy will be growing at 4 percent. Congress comes with its recovery package too late.

I have supported a recovery package. I did when we attempted to do one last year when it would have been timely. Unfortunately, that did not occur. I would still support one if it were properly crafted. But I don't believe this legislation meets the test. CBO has

stated over the next 10 years we are in deficit each and every year for the entire decade, and by big amounts. They have just told us we can expect \$2.3 trillion of non-trust-fund deficits over the next decade. Every dime will be coming out of the Social Security trust fund. That means every dime of this stimulus package is coming out of the Social Security trust fund. We are headed for this future: The trust fund turns cash negative in 2016. That changes everything.

When we examine the details of this package, its centerpiece is 3 years of bonus depreciation. I strongly supported bonus depreciation for a 1-year period because every economist said if we stretch it out, we are encouraging companies to wait—not to act now, but to wait. In fact, that is exactly what one sees in the economics of this package—\$39 billion of stimulus this year, but \$82 billion in the future.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. GRASSLEY. I yield myself such time as I might consume.

Mr. President, I rise today to address the House bill that we will be passing on economic stimulus and aid to dislocated workers.

On a preliminary note, in normal circumstances, I would note that we should not make a practice of passing House bills as is. These are not, however, normal times and this is not a normal process.

The House bill is really the latest bipartisan product on economic stimulus and aid to dislocated workers. It is a thinner version of last December's agreement between the White House and the Senate centrists. The bottom line is this bill now enjoys Senate Democratic leadership support because it has been thinned down.

There is some good news and some bad news. Let's turn first to the good news. This bill is a bipartisan, bicameral product, that the President will sign. That's the good news. Help is on the way for unemployed workers and recovering businesses.

Mr. President, the unemployed and struggling businesses have had to wait too long for the good news we deliver today. It has been over five months of long meetings, committee action, floor debates. Finally, we, the United States Senate, will do our duty and act on economic stimulus.

Now, with the President's signature a certainty, several good things will finally happen. First off, the unemployed will get extended benefits. Businesses, large and small, will get a kick start with 30 percent bonus depreciation. That kick start will mean more jobs, so those unemployed workers will be able to go back to work. Businesses that have hit hard times will be able to carry back net operating losses for an additional three years. New York City will receive much needed tax relief for the purpose of rebuilding Lower Manhattan. In addition, tax provisions that expired this year will be extended for

two years. Finally, our States will receive some relief in the form of an extension and reauthorization of portions of the TANF program. These measures are all good news for folks across America.

I said there is some bad news too. That news is derived from all of the proposals dropped from the White House-centrist agreement. As I said above, this bipartisan agreement was before us in December, but we were blocked from considering it by the Democratic leadership. Let's take a look at the things that were dropped.

First off, there was a proposal to accelerate tax relief from last year's bipartisan tax cut legislation. I'm talking about dropping the 27 percent tax rate to 25 percent.

I do not also discount the ideologically based opposition to accelerating the reduction in the 27 percent bracket. It is amazing to me that many on the other side see taxpayers in the 27 percent bracket as rich folks. A 2-percent rate cut for single folks earning between \$27,051 and \$65,550 is seen as a tax cut for the wealthy by the Democratic leadership. Likewise, a married couple with incomes between \$45,201 and \$109,250 is considered rich. But I recognize that this tax cut proposal was difficult for the Democratic leadership to accept.

In this skinnier version, the other element of individual tax relief, this one for payroll taxpayers, was dropped. I am talking about the rebate checks for payroll taxpayers. The rebate checks are gone. Some on my side will view this omission positively.

So, in terms of tax relief for individuals, forget about it. We were not able to strike the balance of the White House-centrist agreement.

There is little in the nature of corporate AMT relief in the thin package. In some ways this is a good result. As I said at the time, the original House bill was too heavy on corporate AMT relief. On the other hand, there were noncontroversial reforms in the corporate AMT that we could have included.

The most disappointing omission related to health care subsidies. We had before us revolutionary social policy in the White House-centrist agreement. For the first time, the Congress had sign able legislation that guaranteed health care benefits for laid off workers. The form of the benefit, a refundable tax credit, ran into ideological opposition by some on the other side. Because two-thirds of the Senate Democratic Caucus did not agree with the form of the benefit, unemployed workers will not receive the benefit. That's too bad. We had a chance to move the ball forward on an important bipartisan objective, improving access and affordability of health care. Instead of moving the ball, because of ideology, we had to punt.

All of these were good provisions which enjoy broad bipartisan support. They were the foundation of the White

House-centrist agreement. Yet because of an ideological fixation, all of these good things went by the wayside. I believe today, as I did almost 3 months ago, that, if we had been accorded a straight up or down vote on the White House-centrist agreement, we would have prevailed. If we had prevailed, the people would be better served.

Mr. President unfortunately, it was not to be. So, here we are with a mixed bag. There is good news in terms of extended unemployment benefits, bonus depreciation, and other measures. But there is bad news in terms of missed opportunities.

Mr. President, I ask unanimous consent that the RECORD be held open until 5 p.m. today for a statement by Senators, and that they be included at this point in the RECORD.

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

Mr. McCAIN. Mr. President, I will vote for the economic stimulus package in the interest of providing temporary assistance for unemployed Americans and their families. We cannot ignore the plight of millions of Americans, who were laid off and want to get back to work. My vote for this legislation should not be interpreted as a total endorsement of all of its provisions. Indeed, I have some serious reservations about extending tax benefits given to the oil and gas industry and the industry in the business of converting poultry waste into electricity. Again, my concern is that the special interests continue to benefit at the expense of hard-working Americans everywhere. However, overall, this bill will give unemployment relief for those families who need it the most and will help stimulate our economy to help America get moving again.

Mr. DOMENICI. Mr. President, I rise in strong support of the bipartisan Job Creation and Workers Assistance Act of 2002, H.R. 3090. This economic stimulus bill has been long in coming.

I am happy this day has finally arrived, but I know those unemployed workers and their families, who became unemployed after the events of September 11, and who will soon see their 26 weeks of unemployment benefits expire, will be even more pleased that we have not forgotten them. We will provide those whose benefits will soon expire an additional 13 weeks of assistance, and I truly believe that within this additional time period, they will return to full employment.

There are clear signs that the economy is recovering, but for those nearly 1.4 million long-term unemployed workers, there is no solace to be found until they are working again and earning incomes in the private sector.

I believe the provisions of this bill that will also provide assistance to small and large businesses in the form of 30 percent special depreciation allowances, combined with conforming AMT depreciation rules and a 5-year carryback of net operation loss provi-

sions will help to increase those employment opportunities for the unemployed so they do not have to depend on further extensions of unemployment insurance.

I am also pleased that this bill follows through—as the Administration promised it would—to help fulfill the promise of providing over \$21 billion in assistance to New York City. The expansion of Worker Opportunity Tax Credits to certain employees in New York City, and special credits to property placed in the Liberty Zone along with other provisions of this bill will continue to assist that city on the road to recovery.

I am pleased that the bill also extends \$12 billion in various tax provisions that expired or will soon expire including the Worker Opportunity Tax Credits, Welfare to Work Credits, a 100 percent limitation on percentage depletion for oil and gas from marginal wells, and a provision I have championed that would penalize in the form of a tax those groups health plans that fail to comply with mental health parity requirements.

There are other provisions in this bill that will allow teachers to deduct classroom expenditures and exclusions for foster care payments to qualified placement agencies. The reauthorization of the Temporary Assistance for Needy Families supplemental grants and contingency funds for states such as mine that have seen an increase in population is needed help to some hard pressed state budgets.

This bill will become law. President Bush who has pressed for congressional action will sign this needed legislation. It is not everything he wanted, and I remain convinced that the proposal I advanced last winter to provide for a payroll tax holiday would have provided additional needed stimulus. But nonetheless this bill will still inject over \$50 billion into the economy immediately and over \$40 billion next year.

I congratulate the chairman and ranking member of the Finance Committee, the majority and minority leader in bringing this issue finally to a conclusion. It is the right thing to do, it is the right thing for those displaced and out of work today.

Mr. WARNER. Mr. President, I have worked closely with Senator COLLINS for sometime now on legislation to provide much needed tax relief for our educators. Today, I am pleased to report that the Senate should soon pass H.R. 3090, the Job Creation and Worker Assistance Act of 2002, as previously passed by the House of Representatives. With passage of this legislation, Senator COLLINS and I will have finally achieved our shared goal of providing much needed tax relief for our Nation's teachers.

The Collins-Warner provisions that are in this legislation, were crafted by Senator COLLINS and myself after months of consultations with Senator GRASSLEY, Senator BAUCUS, Senator

ALLEN and House Ways and Means Chairman THOMAS. Congressman SCOTT from Virginia was also a very good working partner on this legislation, having introduced similar legislation on the House side.

The National Education Association played a key role and its many members should look with pride and satisfaction on their constructive advice to the Congress. The president of the Virginia Education Association, Jean Bankos, also helped lead this superb effort.

Simply put, the Collins-Warner provisions provide a \$250 above the line deduction for educators who incur out of pocket expenses for supplies they bring into the classroom to better the education of their students. The Joint Committee on Taxation estimates that this provision will provide almost half a billion dollars worth of tax relief to teachers all across America over the next 2 years.

Our teachers in this country are overworked, underpaid, and all too often, under-appreciated.

In addition to these factors, our teachers expend significant money out of their own pocket to better the education of our children. Most typically, our teachers are spending significant amounts of money out of their own pocket on classroom expenses, such as books, supplies, pens, paper, and computer equipment.

These out of pocket costs place lasting financial burdens on our teachers. This is one reason our teachers are leaving the profession. Little wonder that our country is in the midst of a teacher shortage.

Estimates are that 2.4 million new teachers will be needed by 2009 because of teacher attrition, teacher retirement and increased student enrollment.

While the primary responsibility rests with the States, I believe the Federal Government can and should play a role in helping to alleviate the Nation's teaching shortage.

On a Federal level, we can encourage individuals to enter the teaching profession and remain in the profession by providing tax relief to teachers for the costs that they incur as part of the profession.

Our teachers have made a personal commitment to educate the next generation and to strengthen America. While many people spend their lives building careers, our teachers spend their careers building lives.

The Teacher Tax Relief provisions in this bill go a long way toward providing our teachers with the recognition they deserve by providing teachers with important and much needed tax relief.

I am proud to have had the opportunity to work with Senator COLLINS, Senator ALLEN, and so many others to make this goal a reality.

Mr. REID. Mr. President, on behalf of Leader DASCHLE, I yield Senator BAUCUS 5 minutes of leader time, and following that, 2 minutes of leader time to Senator CONRAD.

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

The Senator from Montana.

Mr. BAUCUS. Mr. President, this bill that has come over from the House has come over quite quickly and Senators have not had a lot of time to examine it and to work through the provisions of the bill. Personally, I think it is a bit rushed.

Having said that, I will support it at this point because—the phrase I often find myself using these days—we cannot let perfection be the enemy of good.

There are some good provisions in this bill. We did not have the opportunity to amend it. But the fact is, if we do try to amend it, we will probably get wrapped around the axle, and nothing will be passed.

And there are several provisions that should definitely pass. One is the extension of unemployment insurance. To my mind, the provisions in the House bill relating to unemployment insurance do not do enough. Given the state of the economy in the last year and the number of people who are out of jobs and need help, it is unfortunate that we cannot do more. But a 13 week extension will help many people and provide an economic stimulus.

In addition, the bill includes the extension of several important tax provisions, some of which expired last year. It is an outrage, frankly, that this Senate and the House of Representatives let those provisions lapse and we did not pass them at the end of last year.

I tell my colleagues right now that I regret I did not push strongly enough last year when we passed the tax bill to make sure the extenders were included. I had an assurance that they would come up soon. But that is no way to run a railroad. It is no way for the country to run its business, to say it is OK to have an on-again/off-again policy with respect to tax law.

I tell my colleagues the next time this comes up, we are going to pass extenders so that the provisions remain continuous. It will be a seamless web. There will never be another time when extenders are not passed, if I have anything to do with it.

Unfortunately, there are not any health provisions in this bill. There should be. A lot of people lost their health insurance benefits as a consequence of lost jobs and as a consequence of the declining economy.

As you well know, more and more people are without health insurance. It is because companies are not providing health insurance, and people are laid off and can't keep their health insurance. It is a huge cost individually to the people involved, and it is a huge cost to the country. It is regrettable that this provision we are passing today does not include health insurance benefits for those people who lost their health insurance on account of lost jobs. That is too bad. I wish it were in the bill, but it is not.

The bonus depreciation provision is good. It is going to help create jobs, and it will help stimulate the economy a bit.

I note, as we all note, that Chairman Greenspan said we are turning the corner. I think he is probably right. But the bonus depreciation provision is going to help. It also is insurance, and that is going to help as well.

The long and short of it is we have a choice. It is either vote for this, or try to amend it. If we try to amend it, we will be back where we have been for the last 5 months; that is, doing a lot of talk and not much action. I regret that.

But that is the situation with which we are faced. In light of this situation, I urge my colleagues to pass this. It is going to help—particularly the provisions that I mentioned—and we will get on with health insurance and get on with the other provisions that need to be taken up later on this year.

When they come up, I urge my colleagues to work with us to be sure that they are enacted because there are a lot of people hurting and who need a lot of help.

I thank my good friend from Nevada.

I yield the remainder of my time.

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

Mr. CONRAD. Mr. President, Senator BAUCUS is absolutely right. There are some good provisions in this bill. They are necessary provisions. That is what makes this vote so difficult.

I have struggled with the question of how to vote. But, again, the press reports this morning said the Chairman of the Federal Reserve said an economic expansion is now underway. It goes on to report that many economists have concluded that the economy this quarter is growing at an annual rate of 4 percent. Now the House passes a recovery package. They are too late.

This is the history of recovery packages. Every time in our history that we have tried to use fiscal stimulus, we have been too late.

The centerpiece of this package is 3 years of bonus depreciation. Look, I am a strong supporter of bonus depreciation, but not for 3 years. That encourages people to wait. That makes no sense. This is digging the hole deeper because every penny of it is coming out of the Social Security trust fund—every penny. We are already in a deep hole for the entire next decade.

I yield whatever time remains to Senator CARPER.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Delaware. There are 45 seconds remaining.

Mr. CARPER. Madam President, I thank the Senator from North Dakota for yielding.

Imagine that we are in a car driving down the road. We have an accelerator, and we have a brake.

The Federal Reserve, having launched the most aggressive monetary policy in our lives to help us get out of the recession—which will prob-

ably occur later this year—is beginning to tap down on the breaks to slow down inflationary expectations. Meanwhile, we are preparing to put our foot on the accelerator.

This plan made a whole lot of sense in October, November, and even in December. But in March, on March 8, with GDP having grown 1.4 percent in the last quarter, and is probably going to grow by 4 percent this month, this plan makes a whole lot less sense.

Mr. REID. Madam President, I ask for the yeas and nays on the pending matter before the Senate.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Louisiana (Mr. BREAU), the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Georgia (Mr. MILLER) are necessarily absent.

Mr. NICKLES. I announce that the Senator from Wyoming (Mr. ENZI) is necessarily absent.

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

The result was announced—yeas 85, nays 9, as follows:

[Rollcall Vote No. 44 Leg.]

YEAS—85

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|-----------|------------|-------------|
| Akaka | Ensign | Murkowski |
| Allard | Feinstein | Murray |
| Allen | Fitzgerald | Nelson (FL) |
| Baucus | Frist | Nelson (NE) |
| Bayh | Graham | Nickles |
| Bennett | Gramm | Reed |
| Biden | Grassley | Reid |
| Bingaman | Gregg | Roberts |
| Bond | Hagel | Santorum |
| Boxer | Harkin | Sarbanes |
| Brownback | Hatch | Schumer |
| Bunning | Helms | Sessions |
| Burns | Hollings | Shelby |
| Campbell | Hutchinson | Smith (NH) |
| Cantwell | Hutchison | Smith (OR) |
| Carnahan | Inhofe | Snowe |
| Cleland | Jeffords | Specter |
| Clinton | Johnson | Stabenow |
| Cochran | Kerry | Stevens |
| Collins | Kohl | Thomas |
| Corzine | Kyl | Thompson |
| Craig | Landrieu | Thurmond |
| Crapo | Leahy | Torricelli |
| Daschle | Lieberman | Voinovich |
| DeWine | Lincoln | Warner |
| Domenici | Lott | Wellstone |
| Dorgan | Lugar | Wyden |
| Durbin | McCain | |
| Edwards | McConnell | |

NAYS—9

| | | |
|--------|--------|-------------|
| Byrd | Conrad | Feingold |
| Carper | Dayton | Levin |
| Chafee | Dodd | Rockefeller |

NOT VOTING—6

| | | |
|--------|---------|----------|
| Breaux | Inouye | Mikulski |
| Enzi | Kennedy | Miller |

The motion was agreed to.

Mr. REID. Madam President, 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.