

It is a dramatic story, that additional shares were purchased as disturbing information starts to come out about the company: 302,000 shares purchased on October 22; 125,000 shares purchased on October 25; 374,000 shares purchased on October 29; 318,000 shares purchased on October 30.

On November 8, Enron admits it has overstated profits by \$568 million. On November 13, lo and behold, the Florida pension fund buys another 582,000 shares, just 5 days after Enron admitted publicly that it had overstated its profits by \$568 million.

Then, on November 14, the Florida pension fund buys another 479,000 shares. How did this happen? On November 16, the Florida pension fund buys another 210,000 shares. And, sadly, on November 30 the Florida pension fund sells 7.5 million shares at 28 cents a share, thus incurring the \$355 million loss.

I know a little bit about this because in my previous life as the elected State Treasurer of Florida, I sat on that pension board. The three-member board of trustees called the State Board of Administration, includes the Governor, the Treasurer, and the Comptroller. The board typically does not involve themselves in the day-to-day activities of the buying and selling. Far from it, in the past, the board—when I was there, we would not touch that with a 10-foot pole. That was left to the professional money managers.

But policy was set by the board. One of the most interesting times on the board that I had was as the swing vote to determine whether or not the Florida retirement system would sell—get rid of—its portfolio of tobacco stocks. Clearly, I knew what I wanted to do because I thought that it made good social policy to get rid of tobacco stocks. But I had a higher duty as a trustee of the State Board of Administration. I had a duty, a fiduciary duty to the retirees and future retirees, to the economic sanctity of the retirement fund. The threshold was very high on what we should and should not do in setting policy. So, too, what the professional, full-time managers should and should not do with regard to the purchase and sale of assets, including stock: a fiduciary duty for only the best, the most safe, and the least risky kind of investments. Why? Because we were trustees for all of the state retirees and future retirees of Florida.

As a former Florida State Treasurer, I want to express my concern openly in the Senate. Clearly when I see activity such as this, where almost 3 million shares are purchased within a 3-week period while the value of the stock is dropping. After the last purchase on November 16, only 2 weeks later the entire portfolio of 7.5 million shares are sold for only 28 cents a share. Why did this happen?

Had the former CEO of Enron appeared in front of the Commerce Committee today I would have asked him that question. I would have asked him

if he had no direct knowledge, then who would? Who would have made those choices, and why one of his board members, Mr. Frank Savage, who used to be one of the managers of Alliance Capital Management—why, even though at the time of this purchase in October and November he was not one of the managers—why would such purchases of a risky investment that turned out to be so costly, why would that investment have been made? Had I had the opportunity today in the Commerce Committee, that is what I would have asked. Rhetorically, to the Senate, I ask some of these questions. And as we get into the investigation of this Enron debacle, these questions must be answered.

Thank you for the opportunity to speak to the Senate. I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I thank the distinguished Senator from Florida for his comments. The largest retirement pension system in the United States is in the State of California.

Those systems have had very significant losses. I think his comments are very well designed and should be taken as a major indicator of fault and problems. I am sure when the hearings are held that as a member of the Commerce Committee, the Senator will have the good opportunity to point this out very clearly.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### HOPE FOR CHILDREN ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 622, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 622) to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

Pending:

Daschle/Baucus amendment No. 2698, in the nature of a substitute.

Reid (for Baucus) amendment No. 2721 (to amendment No. 2698), to provide emergency agriculture assistance.

Bunning/Inhofe modified amendment No. 2699 (to the language proposed to be stricken by amendment No. 2698), to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies.

Hatch/Bennett amendment No. 2724 (to the language proposed to be stricken by amendment No. 2698), to amend the Internal Revenue Code of 1986 to allow the carryback of certain net operating losses for 7 years.

Domenici amendment No. 2723 (to the language proposed to be stricken by amendment No. 2698), to provide for a payroll tax holiday.

Allard/Hatch/Allen amendment No. 2722 (to the language proposed to be stricken by amendment No. 2698), to amend the Internal Revenue Code of 1986 to permanently extend

the research credit and to increase the rates of the alternative incremental credit.

Smith of New Hampshire amendment No. 2732 (to the language proposed to be stricken by amendment No. 2698), to provide a waiver of the early withdrawal penalty for distributions from qualified retirement plans to individuals called to active duty during the national emergency declared by the President on September 14, 2001.

Smith of New Hampshire amendment No. 2733 (to the language proposed to be stricken by amendment No. 2698), to prohibit a State from imposing a discriminatory tax on income earned within such State by non-residents of such State.

Smith of New Hampshire amendment No. 2734 (to the language proposed to be stricken by amendment No. 2698), to provide that tips received for certain services shall not be subject to income or employment taxes.

Smith of New Hampshire amendment No. 2735 (to the language proposed to be stricken by amendment No. 2698), to allow a deduction for real property taxes whether or not the taxpayer itemizes other deductions.

Sessions amendment No. 2736 (to the language proposed to be stricken by amendment No. 2698), to amend the Internal Revenue Code of 1986 to provide tax incentives for economic recovery and provide for the payment of emergency extended unemployment compensation.

Grassley (for McCain) amendment No. 2700 (to the language proposed to be stricken by amendment No. 2698), to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services and Foreign Service in determining the exclusion of gain from the sale of a principal residence.

Kyl amendment No. 2758 (to the language proposed to be stricken by amendment No. 2698), to remove the sunset on the repeal of the estate tax.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, pursuant to the previous order, the Democrats now will offer the next two or three amendments that are in order.

AMENDMENT NO. 2764

Mr. REID. Madam President, on my behalf, that of Senator KYL, Senator NELSON of Florida, Senator HATCH, and Senator ZELL MILLER, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. KYL, Mr. NELSON of Florida, Mr. HATCH, and Mr. MILLER, proposes an amendment numbered 2764.

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

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to provide a refundable credit for recreational travel, to modify the business expense limits, and for other purposes)

At the end, add the following:

#### TITLE —PERSONAL TRAVEL AND BUSINESS EXPENSES

##### SEC. 01. PERSONAL TRAVEL CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and inserting after section 34 the following new section:

**"SEC. 35. PERSONAL TRAVEL CREDIT."**

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified personal travel expenses which are paid or incurred by the taxpayer during the 60-day period beginning on the date of enactment of this section.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed a taxpayer under subsection (a) for any taxable year shall not exceed \$600 (\$1,200, in the case of a joint return).

"(2) PER TRIP LIMITATION.—The expenses taken into account under subsection (a), with respect to any trip, shall not exceed \$200.

"(c) QUALIFIED PERSONAL TRAVEL EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified personal travel expenses' means reasonable expenses in connection with a qualifying personal trip for—

"(A) travel by aircraft, rail, watercraft, or commercial motor vehicle, and

"(B) lodging while away from home at any commercial lodging facility.

Such term does not include expenses for meals, entertainment, amusement, or recreation.

"(2) QUALIFYING PERSONAL TRIP.—

"(A) IN GENERAL.—The term 'qualifying personal trip' means travel within the United States—

"(i) the farthest destination of which is at least 100 miles from the taxpayer's residence,

"(ii) involves an overnight stay at a commercial lodging facility and

"(iii) which is taken on or after the date of the enactment of this section.

"(B) ONLY PERSONAL TRAVEL INCLUDED.—Such term shall not include travel if, without regard to this section, any expenses in connection with such travel are deductible in connection with a trade or business or activity for the production of income.

"(3) COMMERCIAL LODGING FACILITY.—The term 'commercial lodging facility' includes any hotel, motel, resort, rooming house, watercraft, or campground.

"(d) SPECIAL RULES.—

"(1) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(2) EXPENSES MUST BE SUBSTANTIATED.—No credit shall be allowed by subsection (a) unless the taxpayer substantiates by adequate records the amount of the expenses described in subsection (c)(1).

"(e) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period " , or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

"Sec. 35. Personal travel credit.

"Sec. 36. Overpayments of tax."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

**SEC. 02. TEMPORARY INCREASE IN DEDUCTION FOR BUSINESS MEAL EXPENSES.**

(a) IN GENERAL.—Subsection (n) of section 274 of the Internal Revenue Code of 1986 (relating to only 50 percent of meal and entertainment expenses allowed as deduction) is amended by adding at the end the following:

"(4) TEMPORARY INCREASE IN LIMITATION.—With respect to any expense for food or beverage paid or incurred on or after the date of enactment of this paragraph, and before the date that is 180 days after such date, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

**SEC. 03. TEMPORARY RESTORATION OF DEDUCTION FOR SPOUSES ACCOMPANYING TAXPAYER ON BUSINESS TRAVEL.**

(a) IN GENERAL.—Section 274(m) of the Internal Revenue Code of 1986 (relating to limitations on travel expenses) is amended by adding at the end the following:

"(4) TEMPORARY REPEAL OF LIMITATION.—With respect to any travel expense paid or incurred on or after the date of enactment of this paragraph, and before the date that is 180 days after such date, paragraph (3) shall not apply."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

Mr. REID. Madam President, prior to September 11, the travel and tourism industry employed more than 18 million people, with an annual payroll of about \$160 billion. The industry was the first, second, or third largest employer—I should say the most, not the largest employer, but the first, second, or third most important—

Mr. NELSON of Florida. Industry.

Mr. REID. Industry in some 30 States. I appreciate the Senator from Florida coming up with that word. It is the No. 1, 2, or 3 driving economic force in those States. It is estimated that travel and tourism generated \$93 billion in tax revenue during 2000 for Federal, State, and local governments. When our Governors and other State officials find themselves strapped for cash to pay for such basic services as education, \$93 billion, and the figure has in the past been going up every year in tax revenues, it takes on increased significance.

During the past decade, travel and tourism has emerged as the Nation's second largest service export, generating an annual trade surplus of about \$14 billion. This, of course, is no surprise to the people of the State of California, the State of Florida, and certainly the State of Nevada. Those Senators who are present now recognize the importance of the travel and tourism business.

In the year 2000, 36 million people came to Las Vegas through the airport. It may be surprising, but McCarran Field is busier than L.A. International Airport. It has more people come and go through it than L.A. International. It is the sixth busiest airport in North America, and last year some 36 million people came to Las Vegas through the

airport. This contributed about \$32 billion to our local economy, sustaining approximately 200,000 hospitality- and tourism-related jobs.

Since September 11, these impressive numbers have declined significantly. According to the Hotel and Restaurant Employees International Union, 41 percent of the hotel and restaurant employees in Washington, DC, have been laid off. In Las Vegas, the fastest growing metropolitan community in America, 30 percent of hotel and restaurant employees have lost their jobs.

There are similar cuts all over America: Phoenix, Orlando, San Francisco. Around the country, more than 450,000 jobs directly related to tourism have been lost, and the forecast for the industry from this point is not much better.

The Travel Industry of America estimates travel by Americans will decrease by about 8½ percent this winter as compared to the months of December, January, and February a year ago, with a decline of 3½ percent for the entire year 2001 when compared to travel during the year 2000. The Travel Industry of America estimates this will result in nearly \$43 billion in lost travel expenditures in 1 year.

Because travel and tourism is so important to Nevada and so many other States, I believe that any economic security package must include incentives and other stimulative proposals to get people traveling again. That is why I have joined with Senator KYL, Senator NELSON of Florida, Senator HATCH, and Senator MILLER to move this legislation.

I personally believe there are other things we could do to help travel and tourism. I am one of the original cosponsors of and I am supporting legislation Senator DORGAN has offered. I am supportive also of legislation Senator BOXER has offered. But to have bipartisan support we have this measure now before the Senate, and I think we should move forward.

There are three key components in this legislation. First of all, a \$600 tax credit per individual and a \$1,200 tax credit per couple, at a maximum of \$200 per trip, for the 60 days after date of enactment of this amendment.

What this would mean is if someone is traveling to Miami for a convention, they would get a \$200 tax credit. This would stimulate more travel. After the first trip, they would be eligible for a \$200 tax credit; after two trips, \$400; after three trips, \$600.

This proposal provides a genuine incentive to the leisure traveler to encourage Americans to get back on airplanes, rent a car, to stay a few nights in their favorite hotel, enjoy a few meals at their favorite restaurant. Moreover, by capping each trip to \$200, our amendment provides an additional incentive for travelers to make multiple trips. The tax credits would be temporary and provide immediate results.

People need to feel good about traveling. I personally feel safer today flying in an airplane than I ever have. It is somewhat inconvenient at the airports. We were at an airport yesterday and I saw someone take off her shoes. My wife said: That has happened to me.

It does not take long to take one's shoes off, and they do not do it to everybody. It is a random search. I think it is good they are doing that.

In short, I think we are really getting it down better at airports. I think we are moving people through more quickly. I was in one of our National Laboratories on Friday at Sandia, and they have a booth that you can walk in and in 5 seconds they can determine if you have been in contact with any type of explosives for many days in the past. The whole walk-through takes 12 seconds, actually takes 5 seconds to do the check to find out if there are any explosives.

We are going to start putting some of these techniques in place at various places around the country, and someday we will have them everywhere.

We have a machine for sniffing explosives. It is like a little scoop. What they have now looks like a shovel.

We are getting things down very well. People should feel good about traveling. We want this legislation to cause people to feel better about traveling.

The second part of this legislation would be an increase in the deduction for business meals and entertainment expenses. It increases the deduction from 50 to 80 percent for 6 months after the date of enactment of this amendment.

I can use, again, myself as an example. After I practiced law for a couple of years, the people who ran the law firm I worked for said they thought I could develop some business and have an expense account. What that meant to me was I could go out and try to get business for my law firm. I could take people to dinner. I did not have the money to do that except for this expense account. With the expense account, I did that. It generated business for the hotels and the restaurants in Las Vegas. As a result of that, people had to prepare meals for me and my prospective clients or clients we already had who we were trying to keep happy.

People had to serve that food. The restaurant had to buy that food. It generated business for everybody. That is what this legislation is about. I never liked that we reduced the meals tax deduction, but it was done, first from 100 percent, to 80 percent, to 50 percent. We want to raise it to 80 percent for 6 months. We call for a temporary increase in the deduction, as I indicated. It would be temporary, but it would be stimulative.

I believe we got this going—people wanted to make it permanent because of the entertainment industry. The restaurant industry would think it was helpful. Increasing the business meals

deduction will have an enormous and positive impact on our Nation's restaurants and the millions of Americans they employ.

As I indicated, third, restoration of the spousal deduction provides 100-percent deduction for spouses on business trips 6 months after the date of enactment. This proposal will encourage more spouses to travel. They will spend additional dollars in restaurants, hotels, rental car agencies, and travel-related expenses.

This proposal encourages spouses to travel. It is not only family friendly, but it also encourages the business traveler to spend additional dollars to help stimulate the economy in Nevada and throughout the country.

This has wide-ranging support. I have a letter I received recently, dated February 1. This is from Jonathan Tisch, chairman of the Travel Business Roundtable. Let me name a few of the participants in this Roundtable: Detroit Metro Convention Visitors Bureau, National Restaurant Association, National Hockey League, Omega Travel, United Airlines, Commonwealth of Puerto Rico, Las Vegas Visitors & Convention Authority, Four Seasons Regent Hotels & Resorts, American Airlines, Greater Fort Lauderdale Chamber of Commerce, Six Continents Hotels, Diners Club International, IBM, Wyndham International, American Express, American Resort Development Association—literally dozens of organizations are part of this Roundtable. They have signed on to what we are trying to do.

I ask unanimous consent this letter and the attached member list be printed in the RECORD.

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

TRAVEL BUSINESS ROUNDTABLE,  
February 1, 2002.

Hon. HARRY REID,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR REID: On behalf of the 70 members of the Travel Business Roundtable, I would like to thank you and Senator Kyl for your leadership in offering an amendment to the economic stimulus bill to provide much-needed stimulus for the travel and tourism industry. We deeply appreciate your efforts over the past several years to call attention to the contributions our diverse industry has brought to the U.S. economy, and we are particularly grateful for your tireless work in recent months to ensure that our concerns are addressed in any economic stimulus package that moves forward in the Congress.

You saw first-hand in your own state the upheaval and economic crisis that hit the hotels, restaurants, casinos, resorts, convention centers, rental car agencies, shopping centers, amusement parks and attractions that make up our industry in the days and weeks following the September 11 terrorist attacks. While there are signs that the U.S. economy as a whole is recovering somewhat, a forecast of the TBR Index of Leading Economic Indicators shows that recovery for our history will be slow over the next two years, and we will still be unable to regain 2000 levels by the end of 2003. Naturally, one of our deepest concerns is the toll this may take on our employees.

While we are still assessing the fourth quarter of 2001, the most recent projections for the U.S. industry show losses of \$43 billion for the year in traveler expenditures and the loss of more than 450,000 travel and tourism jobs nationwide. And all the indicators show that there will be further layoffs in the industry this year. A recent Milken Institute study of the impact of the September 11 attacks on the 315 U.S. metropolitan statistical areas (MSAs) shows that areas across the U.S. stand to lose more than 1 million jobs this year in the travel and tourism sector. In the hotel sector alone, PricewaterhouseCoopers is projecting 18,000 layoffs this year—that is on top of the 257,000 hotel workers laid off in the wake of September 11. In addition to those who lost their jobs outright, there are countless other travel and tourism employees who are working reduced hours—and therefore taking home less pay—due to the slowdown in business, and often their willingness to work shorter shifts so that their colleagues will not lost their jobs.

As you are acutely aware, local governments and states are feeling the slowdown in business and leisure travel as well—both because their coffers are emptying from the drastic reduction in tax revenues that tourists provide and because they are struggling to assist displaced workers. A December 2001 report by the U.S. Conference of Mayors showed that requests for emergency food assistance climbed an average of 23 percent, and requests for emergency shelter assistance increased an average of 13 percent in the 27 cities surveyed. They note in their report that declining tourism since September 11 is one of the factors that is driving up these numbers.

Clearly, we must differ with those who say that the urgency for the passage of an economic stimulus bill has passed. Congress' quick enactment of airline assistance and airport security measures have gone a long way toward keeping travelers flying and helping restore traveler confidence. However, keeping the airlines in business alone is not sufficient to stimulate travel spending. We believe that an economic stimulus bill that includes tax incentives for leisure and business travelers and tourism promotion assistance will help provide the final boost that our industry and our workers so badly need.

Again, we thank you, Senator Kyl and your colleagues in the Senate Travel and Tourism Caucus for your diligent efforts on this matter, and we are happy to provide our assistance as the process moves forward.

Sincerely,

JONATHAN TISCH,  
Chairman.

Attachment.

MEMBERSHIP

Dieter H. Huckestein, President, Hilton Hotels Corporation.

George L. Hundley, Jr., President & CEO, Northstar Travel Media, LLC.

Noel Irwin-Hentschel, Chairman and CEO, American Tours International, Inc.

Robert E. Juliano, Legislative Representative, Hotel & Restaurant Employee International Union.

Jacki Kelley, Senior Vice President Advertising, USA TODAY.

Brian J. Kennedy, Executive Vice President, The Hertz Corporation.

Thomas A. Kershaw, Owner, The Hampshire House Corporation.

George D. Kirkland, President & CEO, L.A. Convention & Visitors Bureau.

Fred Kleinsner, Chairman and CEO, Wyndham International.

Werner G. Kunz, Vice President-Marketing and Sales, Lufthansa Systems North America.

Jonathan S. Linen, Vice Chairman, American Express Company.

Joseph A. McInerney, President, American Hotel & Lodging Association.

David Meyer, Editor-In-Chief, Business Travel News.

Scott D. Miller, President, Hyatt Hotels Corporation.

Sandy Miller, Chairman & CEO, Budget Group, Inc.

Marc Morial, Mayor, City of New Orleans.

Steven C. Morris, President and CEO, Seattle's Convention and Visitors Bureau.

Patrick B. Moscaritolo, President and CEO, Greater Boston Convention & Visitors Bureau.

Devon Murphy, President and CEO, Carey International Limousine.

Craig M. Nash, Chairman & CEO, Interval International.

David G. Neeleman, CEO, Jetblue Airways Corporation.

Curtis Nelson, President & CEO, Carlson Hospitality Worldwide.

Cristyne L. Nicholas, President & CEO, NYC & Company.

Howard C. Nusbaum, President, American Resort Development Association.

Michael S. Olson, CAE, President and CEO, American Society of Association Executives.

William J. Overend, Dir., Global Travel Ind. Sales & Marketing, The Coca-Cola Company.

Paul S. Pressler, Chairman, Walt Disney Parks and Resort.

Lalia Rach, Associate Dean, New York University.

Barbara J. Richardson, Executive Vice President, Amtrak.

John T. Riordan, Vice Chairman, International Council of Shopping Centers.

Robert Rosenberg, President and CEO, Newport County, CVB.

Fred Schwartz, President, American Asian Hotel Owners Association.

Lamar Smith, Senior Vice President of Government Affairs, Visa U.S.A. Inc.

Randell A. Smith, Chief Executive Officer, Smith Travel Research.

Barry Sternlicht, Chairman & CEO, Starwood Hotels & Resorts.

Paul Tagliabue, Commissioner, National Football League.

William D. Talbert, III, President & CEO, Greater Miami CVB.

Robert S. Taubman, CEO/President, Taubman Centers, Inc.

Jonathan M. Tisch, Chairman & CEO, Loews Hotels.

Daniel R. Tishman, President & COO, Tishman Construction Co.

Ron Wagner, President, Association of Corporate Travel Executives.

Paul Whetsell, Chairman & CEO, MeriStar Hotels & Resorts, Inc.

Tom Williams, Chairman and Chief Executive Officer, Universal Studios Recreation Group.

Scott Yohe, Senior Vice President of Government Affairs, Delta Air Lines, Inc.

Tim Zagat, Co-Chair and Publisher, Zagat Survey, LLC.

Larry Alexander, President and CEO, Detroit Metro Convention and Visitors Bureau.

Steven C. Anderson, President and CEO, National Restaurant Association.

Sean Anderson, Chief Executive Officer, WH Smith USA Travel Research.

Adam M. Aron, Chairman & CEO, Vail Resorts, Inc.

Gary Bettman, Commissioner, National Hockey League.

Gloria Bohan, President, Omega World Travel, Inc.

Christopher Bowers, Senior VP, North America, United Airlines.

Melinda Bush, President & CEO, HRW Holdings, LLC.

Chris J. Cahill, President & COO, Fairmont Hotels & Resorts.

Sila M. Calderon Serra, Governor, Commonwealth of Puerto Rico.

Thomas J. Corcoran, Jr., President and CEO, FeiCor Lodging Trust.

Manuel Cortez, President/CEO, Las Vegas Convention & Visitors Authority.

John F. Davis, III, CEO & Chairman of the Board, Pegasus Solutions, Inc.

William Diffenderfer, Vice President, Global Travel and Transportation, BIS, IBM.

Roger J. Dow, SVP, General Sales Manager, Marriott International, Inc.

William H. Friesell, Chairman, Diners Club International.

Michael Gehrisch, President and CEO, LACVB.

Laurence S. Geller, CEO, Strategic Hotel Capital Incorporated.

Vicki Gordon, Senior Vice President, Americas Administration, Six Continents Hotels, Inc.

Nicki E. Grossman, President, Greater Fort Lauderdale CVB.

Michael W. Gunn, Executive Vice President, American Airlines.

Bjorn Hanson, Global Industry Leader—Hospitality and Leisure, PricewaterhouseCoopers, LLP.

Wolf H. Hengst, President & COO, Four Seasons Regent Hotels & Resorts.

Stephen P. Holmes, Vice Chairman, Cendant Corporation.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Florida.

Mr. NELSON of Florida. Madam President, I had the privilege of being a cosponsor of the amendment with the Senator from Nevada. It is instructive to lay out the reasons as to why so long after September 11 that the Senator from Nevada and others, including myself, are offering such an amendment with regard to stimulation of the economy and tourism.

Travel and tourism encompasses 5 percent of the GDP. It generates more than \$578 million in revenues. Travel and tourism, as an industry, supports more than 17 million jobs. It provides more than \$14 million in trade surplus, and more than 95 percent of the businesses in travel and tourism are small- to medium-sized businesses. That begins to tell the story of why this amendment is important to the economy.

Do we think we are in a recession? Yes. All economic indicators are pointing to the fact that we are in a recession right now. What would this amendment do, and why is the travel and tourism industry suffering a recession right now?

Take, for example, the No. 1 tourist destination in the world which happens to be Orlando, FL. Last week, National Public Radio reported since September 11 unemployment in the Orlando area of central Florida has doubled to a 7-year high and that it is likely to continue rising for some period of time. At the same time that tourism is down, the corollary central Florida convention business faces a 5- to 15-percent drop in convention attendance as companies are cutting back in their travel budgets.

If we want to do something about stimulus, this amendment helps with a tax credit to encourage people take a

leisure trips just for the next 2 months after the enactment of the bill. That, to me, is clearly a stimulus-type activity for the economy.

If, for 6 months, the bill says we are going to encourage people to go into the restaurants by being able to deduct business meals as a stimulus, not just at the 50-percent level but at an 80-percent level, then clearly that is stimulus in the short time frame of six months.

With regard to the matter before the Senate, I add to the remarks of the Senator from Nevada my support for this amendment to the stimulus bill. This is of limited duration. Part of this amendment lasts just 60 days. It will give us an economic jolt as we attempt to jump-start the economy and get us out of the recession and back into economic recovery.

Mrs. FEINSTEIN. Madam President, I want to repeat something that I stated over the weekend. It will be my intent to vote against any large stimulus package at this time. I do so because I believe a stimulus package right now is not necessary. I believe, when compounded with the President's budget and other items, it actually works as a significant detriment to us doing what we need to do, which is have a balanced budget.

In his remarks last month before the Senate Budget Committee, Federal Reserve Chairman Alan Greenspan said an interesting thing. I would like to quote him. He said:

There have been signs recently that some of the forces that have been restraining the economy over the past year are starting to diminish and that activity is beginning to firm.

And it appears the economy is stabilizing without the need for a stimulus.

Among the positive signs the distinguished Mr. Greenspan cited are that businesses are working off their inventories of unsold goods, freeing them to increase production and hire more workers.

According to the latest economic reports, the moving 4-week average of jobless rates continues to dip while the pace of manufacturing activity throughout our country surges. Unemployment appears to have stabilized. The manufacturing index is up. The consumer confidence index is up. Orders for durable goods are up. Most importantly, we notice a slight increase in gross domestic product. Although it may not be much, it signals that the worst may well be over.

I agree with Chairman Greenspan's assessment that "while 3 months ago, it was clearly a desirable action" to pass a stimulus measure, we did not, and, "fortunately, it turned out we didn't need that particular [action]."

If you sort of put this in context, the House has passed a very large stimulus package. The debate is going on in this Chamber on two stimulus packages. They then need to go to conference, and the differences would have to be resolved. It is very clear to me that by

the time the stimulus package goes into effect, it really would have negligible effect.

Although there is still a ways to go before the economy is fully stabilized and is growing again, I believe we are moving in the right direction.

I want to point out that now the President's budget has come to the Hill with very large increases in defense, the end program, if we begin them, is that we must continue them over the next 5-year period, and large increases in homeland security, some of which will be new expenditures and will need continuation in this post 9-11 era. Making large cuts in many domestic programs with dollars being spent on a so-called stimulus, to me, becomes even more questionable.

In fact, many of the measures which have been proposed by the President and which have been under discussion in the Congress over the past few months are not, to my mind, well calibrated to provide a real stimulus impact. They add to the tax package we passed this past June. I voted for it because I felt at the time it was well deserved. The economy was strong, the surplus was up, and it is not unreasonable to expect when both of those are present that the taxpayers should be enabled to keep more of their money. I basically believe that is good public policy.

However, in September we began to see an unprecedented event add to our problems. That unprecedented event, of course, has brought on the need for homeland security and increased defense allocation. Downstream, this means that these two items can well crowd out also vitally needed domestic programs. The transportation budget has been cut dramatically, I understand. Transportation is a stimulus. Transportation puts people to work. The transportation budget provides good jobs. I suspect, if that cut goes through, we will find those jobs will diminish.

There are many elements of the plan the majority leader has proposed which I believe are important—not for their stimulative impact but as an issue of basic fairness and past practice for those of us in this body.

The first is the 13-week extension of unemployment insurance. I would support this as, again, a matter of the practice of this body. I was present in the 1990s when we extended unemployment insurance at least twice that I can remember. That was during the periods of recession.

According to the Department of Labor, every dollar used for unemployment benefit results in a \$2.15 increase in the gross domestic product. That is the sum total of goods and services in our country.

Today, over 1 million people are unemployed. In my State, that is over 13 percent of the country's total unemployment. Since September 11, unemployment benefits have run out for 190,000 Californians. Since September

11, over 900,000 Californians have started receiving unemployment benefits, which shows the impact of that dastardly event on September 11.

It is estimated that 300,000 people in California alone would be helped by this 13-week extension. Nationally, extending unemployment coverage will benefit more than 600,000 people, and again continue to revive the economy.

I think we should do it because we have done it before, because it is the right thing to do, and because it is the fair thing to do.

There is one other part of the leader's package that I would support. That is the temporary change in the Federal Medicaid Assistance Program, known as FMAP. That is a formula that provides States with additional funds to make sure that health care is available to those in need. It is a measure supported by virtually all of our country's Governors. It is supported because the recession essentially has pushed more people into Medicaid. In fact, one study has found that just an increase in unemployment from 4.5 to 6.5 percent, which is what transpired last year, adds 800,000 adults, 260,000 disabled, and 2.1 million children to the Medicaid rolls of our 50 States.

I would support the 1-year increase in the Medicaid assistance, or FMAP, by 1.5 percent to every State, and an additional 1.5 percent to States with higher than average unemployment. This is essentially the same proposal that is in the majority leader's stimulus package.

I have submitted an amendment which would do only those two things. I hope, if the time is appropriate, that I will be able to offer that amendment. I think these are two elements of the Daschle package which are worthy of support.

Madam President, I say these words because I have said them in other places, and I think I ought to say them in this Senate Chamber. It would be my hope that we could pass the extension of unemployment insurance and the FMAP Medicaid changes—the FMAP amounts to about \$5 billion—and do so as a matter of fairness.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Madam President, as people who are watching know, we are in debate on the economic stimulus package with Members on both the Republican side, as well as the Democratic side, offering amendments to the underlying bill the Senate majority leader put down about a week ago. We are going to work our way through those amendments.

I go back to what I call square one and remind our colleagues and the people of this country there has already been a bill passed in the House of Representatives, a bill the President said he would sign, a bill I hope we get a chance to vote on before we finish work on the economic stimulus package, a bill I hope will become the law of this land, one that is truly bipartisan and truly is a stimulus. I call that the White House-centrist stimulus plan.

This bill that has passed the House of Representatives, that the President said he would sign, is something for the most part that has been worked out by Members of this body, not the other body, people who are Republican and Democrat, in the middle of the political spectrum of the Senate. Since it is bipartisan, since the President had an opportunity to meet with a bipartisan group and said he would sign it, before the holidays the House of Representatives went ahead and passed the bill. We did not have an opportunity to vote on it before the holidays because of the fact the majority leader sets the agenda for the Senate, and he did not see fit to bring it up. I will explain this plan so people know we do have a bipartisan proposal, not only a bipartisan proposal that would have bipartisan support in the Senate but one that has passed the House of Representatives and that would be signed by the President of the United States.

As we think of the 800,000 people who are unemployed since the September 11 terrorist attacks, there would be some hope for those people in this legislation. I will name just a couple before I go into greater detail. One, a 13-week extension on unemployment benefits, beyond the 26 weeks that States otherwise provide. Second, provision of health insurance benefits for those people who would have had health insurance where they were last employed, even for people who did not have health insurance before they were laid off. They would get some benefit of that program, as well.

If we can get this passed, it will take a lot of anxiety out of the daily lives of those unemployed people. A bipartisan benefit is needed to help dislocated workers. Another has tax provisions and investment provisions that would actually stimulate the economy to create jobs.

The plan's unemployment insurance proposal represents an unprecedented commitment to American workers. It provides up to 13 weeks of additional unemployment benefits to eligible workers. An estimated 3 million unemployed workers would qualify for benefits, averaging \$230 a week. These benefits would be 100-percent federally funded, meaning the States and the businesses in the respective States that support the unemployment trust fund would not have to have any tax increase as a result of what we are doing in mandating an additional 13 weeks.

The plan transfers an additional \$9 billion from Federal funds to State unemployment trust funds. This transfer

provides the States with the flexibility to pay administrative costs and provide these additional benefits. Obviously, the intended purpose is to avoid raising their unemployment taxes during the current recession. We know it is bad to have a policy of a tax increase during a recession. That tends to make the recession worse.

Also, in regard to the bipartisan White House-centrist plan is the plan's commitment to provide health care for dislocated workers. This is something that has never been done at a time this country has been in recession. This would be quite a departure from past social policies of our Government for a social contract with our people. It goes further and wider than any other proposal and gets more help to more people more quickly than any other proposal. When I say "any other proposal," I mean all of these proposals are precedent-breaking for social policy of our Federal Government in helping unemployed people get partial payment or support for their health insurance.

Several proposals have been put forth before the body. This White House-centrist proposal actually gets help almost immediately to those people who need it by getting a certificate at the time they apply for unemployment that can be used kind of like a voucher to buy health insurance. It commits over \$19 billion to this health insurance assistance. This is over six times as much money for the temporary health insurance assistance that was provided under the original stimulus proposals.

The White House-centrist plan takes a three-pronged approach to getting health insurance assistance to the people in need. First, the plan provides a refundable, advanceable tax credit to all displaced workers eligible for unemployment insurance. This goes beyond the present policy, COBRA insurance, that people can pay out of their own pocket once they are laid off, continuing, though, the insurance they had where they last worked for 18 months. We are through this legislation allowing the unemployed who had insurance where they previously worked to continue that health insurance and to have some help for the first time in paying for it, but it will go to those who were not covered by the COBRA policy, as well.

The value of the credit would be 6 percent of the premium. The credit has no cap, so regardless of what the cost was to the employee and the employer where they previously worked, they will be able to continue to pay that full policy. Of course, this is available to individuals for a total of 12 months during their unemployment if that should happen anytime between the years 2002 and 2003. Individuals can stay with their employer COBRA coverage or they can choose policies in the individual market that may better fit their family needs. Obviously, this makes sense. If you want to lock people just into their COBRA policies, it

forces people to stay with those policies that could be too expensive to keep when they are unemployed, even considering subsidy.

The White House-centrist bipartisan bill also includes a major new insurance reform to protect people who have had employer-sponsored coverage and go out into the private market for the first time after being laid off. It makes COBRA protections available to people who have had only 12 months of employer-sponsored coverage rather than 18 months as under current law. By doing this, we greatly expand the group of displaced workers who cannot be turned down for coverage or excluded because of preexisting conditions. The new 12-month standard is especially important for people with chronic conditions who have difficulty affording coverage on their own without the Federal law helping these people get coverage that perhaps they otherwise would not get.

The second prong of the White House-centrist bipartisan proposal is \$4 billion for the States for enhanced national emergency grants which can be used to help all workers, not just those eligible for tax credits, to pay for health insurance.

Finally, the third prong of the proposal includes \$4.3 billion for one-time temporary State health care assistance payments to the States to help bolster their Medicaid Programs. We know the Medicaid Program is an important safety net for low-income children and families and disabled individuals.

I detract a bit for a moment from my remarks, specifically about the White House-centrist bipartisan proposal that I hope we get a vote on, to speak about this \$4.3 billion one-time temporary State health care assistance to help the Medicaid Program. We had a debate last week on two amendments that were put forth to supplement Federal Medicaid payments to the States because States in financial trouble are having difficulty keeping their commitments under the Medicaid Program. Even though the amendments offered last week were a little bit more money than what we are talking in the bill that passed the House, and that the President would have signed if the Senate acted on it before Christmas, the fact is that the States would have \$4.3 billion in their treasuries right now to take care of some of these needs, except for the fact that we were not able to bring this bill up on the floor of the Senate prior to the Christmas holidays.

This seems to be very important because, at the time before the holidays, the National Governors Association was asking for \$5.1 billion of temporary help to the States for their Medicaid Programs. Obviously, \$4.3 billion is not \$5.1 billion. But the fact is, we could have had this \$4.3 billion in the State treasuries right now, rather than having to debate that either in the White House-centrist bipartisan bill or in the amendments that were offered to the underlying bill last week.

For instance, I met with legislators in my State of Iowa during the interim between adjournment on December 21 and our reconvening on January 23. During that period of time, they were bringing this up with me, speaking with me about the problems they were going to have keeping their Medicare commitments and that they really wished they had help from the Federal Government in this regard.

I had an opportunity to remind them that I had a telephone conference call with a lot of Republican and Democrat legislative leaders, along with some administration people of my Governor, Vilsack, as well as Governor Vilsack himself, to discuss this very issue early last December at the time the National Governors Association was lobbying for that \$5.1 billion of Medicaid supplement.

I obviously had sympathy for our legislators, knowing that we had an opportunity to pass this bipartisan White House-centrist plan with the \$4.3 billion in it that would have been in the treasuries of the States at that particular time. I reminded them that maybe Governors, instead of working with those of us in Congress who were sympathetic to their cause, probably should have spent their time talking to the Senate majority leader about bringing that bill up before Christmas so this \$4.3 billion could have already been in the State treasuries.

With that parenthetical on a very small issue of this White House-centrist bipartisan plan—that could have passed the Senate because it had bipartisan support, if we would have been able to bring it up last Christmas—I now move to discuss the individual income-tax reductions in this White House-centrist plan.

This is really the stimulus part of this bill. The other part obviously addressed the need to help dislocated workers, people who are anxious because they are laid off. There are about 800,000 people who would probably not otherwise have been unemployed except for the September 11 terrorist attacks on New York and the Pentagon.

This White House-centrist plan would accelerate the reduction of the 27-percent income-tax rate to 25 percent. Otherwise, this 25-percent rate is not scheduled to go into effect until the year 2007. Remember, the President signed a tax bill on June 7, last year, which was the largest tax reduction passed by the Congress in 20 years. That bill, signed by the President, did reduce some rates immediately. But it also scheduled various rate reductions in the year 2004 and 2006, both for all the rates except for the 10-percent rate and also the 15-percent rate, which were already low and had the benefit of other tax reductions, such as marriage penalty and child credit, and the refundable tax credit as well.

So what we do as an economic stimulus in the White House-centrist plan is speed up from the year 2007 to immediately, the year 2002, that 25-percent



bracket but only that bracket. We do not touch the 35-percent bracket, for instance, which will not materialize until the year 2007.

The reduction of the 27-percent rate is going to benefit singles with taxable incomes as low as \$27,000, heads of households with taxable income as low as \$36,000, and married couples with taxable incomes as low as \$45,000.

Obviously, what we are trying to do by gearing this rate reduction to make it permanent immediately, from 27 percent down to 25, is to make sure that people with incomes as low as \$27,000, \$36,000, and \$45,000 have an opportunity to have less money taken from their paycheck. They would have that money in their pocket. They could spend it or invest it. Whatever they do with it, it would be a stimulus to the economy and probably much more beneficial as a stimulus to the economy than any of the other things we are doing, particularly including speeding up the accelerated depreciation for corporations and even small businesses.

I hope it is very clear from my concentrating on the lowest income that this is applicable to, for the 25-percent bracket, that these are not wealthy individuals. These are middle-class, working Americans. The Treasury Department has estimated that the White House-centrist plan's acceleration of the 27-percent rate reduction will yield \$17.9 billion of tax relief in the year 2002 for over 36 million taxpayers, or approximately one-third of all income level taxpayers.

Also, business owners and entrepreneurs account for about 10 million of those benefiting from rate reduction. When you can do things to help small businesses, particularly small businesses that are not incorporated, you are helping the people who create jobs in America. So these small business people will benefit from this rate reduction from 27 percent down to 25 percent as well.

The White House-centrist plan also provides cash supplements to lower income persons who did not participate in last year's tax rebate. The amounts would be the same as the rebate that was signed by the President on June 7 last year: \$300 for each individual, \$600 for married filing jointly, and \$500 for heads of household.

The advantage of the tax rebate in this instance, on the stimulus plan, is philosophically exactly the same as we had in mind last spring when we passed the bill signed by the President with the tax rebates in it. That was to get money out immediately, particularly to lower income people who maybe have a tendency to spend it more than people who get rebates—people who have higher incomes, and stimulate the economy for the benefit of the demand side of the equation because that also creates jobs.

So we are talking about individual rate reductions for middle-income people as a stimulus to the economy, we are talking about tax rebates for lower

income people as a stimulus to the economy, and soon I am going to be speaking about bonus depreciation for businesses to encourage investment in businesses, large and small, to have another way of stimulating the economy.

The 30-percent bonus depreciation is one way of doing it. The small business expensing amount from \$24,000 to \$35,000 is the second way of doing it through business investment. This will further stimulate purchasing by small businesses.

The bipartisan White House-centrist plan also expands the net operating loss carryback period from 3 years to 5 years. This will allow businesses that are experiencing losses to improve their cashflow by reclaiming taxes paid to prior profitable years.

The plan also eliminates components of the alternative minimum tax that most often causes corporation taxes to increase during an economic downturn. Oddly enough, under the alternative minimum tax, when a corporation's income goes down, it can actually be penalized through having additional taxes applied to them through the alternative minimum tax.

I want to make very clear that this bill does not refund any alternative minimum tax credits that were accumulated over prior years. For instance, last fall you heard about the first bill to pass the House of Representatives. That bill has been shoved to the side. It is not the bill I am talking about here—the White House-centrist plan that for a second time passed the House of Representatives before Christmas. But that first proposal in the House of Representatives would have given cash refunds all at once for the alternative minimum tax credits.

You have recently been reading—and have discussed, I presume—about that plan which would have given Enron hundreds of millions of dollars for previous alternative minimum tax credits.

The White House-centrist plan, which passed the House of Representatives, as I said, as differentiated from that first bill that passed the House of Representatives, does not have the refund of those accumulated tax credits. So Enron would not benefit to the great extent you have been reading about in the papers. That is not stimulative. We didn't leave that out because of Enron. Enron was not an issue at the time this White House-centrist plan was written. We did it because refunding those tax credits is not a stimulus to the economy. We want this bill to be a stimulus to the economy as well as to dislocated workers through their time of anxiety and unemployment.

The White House-centrist package is a solid economic stimulus plan. It is a compassionate plan that puts displaced workers first, and it is a bipartisan plan that has votes of enough Republicans and Democrats to pass. Albeit, I confess, if somebody wants to say they don't want anything going through the Senate that doesn't have at least 60 votes to stop a filibuster, this would

not have 60 votes. It seems to me that should not have been an issue prior to the holidays when we weren't allowed to bring this bill up, when you consider that the former Secretary of Treasury under the Clinton administration was saying we ought to have a stimulus package. Alan Greenspan, Fed Chairman, was saying we ought to have a stimulus package. The President of the United States and leaders of both political parties in the House of Representatives and in the Senate were saying we ought to have a stimulus package. Albeit, what kind of a stimulus package? There was some disagreement over that. But at the time of adjournment just before the holidays we had a bipartisan vote to get this bill to the President, and we weren't able to bring it up.

That was a time of anxiety. We could have put that anxiety behind for all of these people who are unemployed and we would not be debating this issue right now.

We have lost, I suppose, 5 or 6 weeks since our adjournment prior to Christmas. Here we are debating a stimulus package. I hope we have a chance to reach an agreement and get this completed and hopefully avoid a conference with the House. But if we have to go to conference with the House, we will have a stimulus package.

Quite frankly, there are Members of this body who probably thought before Christmas that we would definitely need a stimulus package who now may have some question about it, considering the fact that unemployment last month was stable and because of the fact that we had a two-tenths percent growth of gross domestic product the last quarter of last year. Economists tell us they think the economy is turning around. I tend to see those as good prospects for the continued growth of the economy.

But the reason I want a stimulus package even in light of all of that is the fact that most recessions after an uptick—in other words, in a recovery, there is growth but then there is a downturn somewhere along the line. Two or three-quarters out, there is a downturn in the economy, not having an official recession, which is a two-quarters downturn. If we can pass a stimulus package even in light of what we hope is an improving economy, it seems to me that we could have an insurance policy against having a downturn in the recovery as we have had in most recoveries in recent decades.

We have an opportunity to do for the unemployed workers two things: One, help them during this time of unemployment with additional unemployment compensation of 13 weeks, and to help with their insurance costs that they might not otherwise be able to keep during their time of unemployment. But most importantly, because workers would rather have a job than have unemployment checks, we have an opportunity through the tax rebate

for low-income people, through the 25-percent bracket for middle-income taxpayers, and through the accelerated depreciation for corporations and the expensing for small businesses, to create jobs. These workers, then, would get their paychecks from their own productivity. That is what the workers of America want.

That is why we should have an opportunity to pass this White House-centric bipartisan bill that has passed the House of Representatives. It can be brought up in the Senate at any time, and we can get it to the President with the assurance that the President will sign it. That is what the President said he would do.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2766 TO AMENDMENT NO. 2698

(Purpose: To provide enhanced unemployment compensation benefits)

Mr. REID. Madam President, I send an amendment to the desk—this is the Democrats' next in order—on behalf of SENATORS DURBIN, WELLSTONE, DAYTON, LANDRIEU, and LINCOLN.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. DURBIN, for himself, Mr. WELLSTONE, Mr. DAYTON, Ms. LANDRIEU, and Mrs. LINCOLN, proposes an amendment numbered 2766 to amendment No. 2698.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mrs. LINCOLN. Madam President, I ask unanimous consent that the pending amendment be laid aside.

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

AMENDMENT NO. 2767 TO AMENDMENT NO. 2698

Mrs. LINCOLN. Madam President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mrs. LINCOLN], for herself, Mr. GRAHAM, Mr. NELSON

of Florida, Mr. MILLER, Mr. CORZINE, Mr. DAYTON, Mr. KERRY, Mrs. MURRAY, Mr. TORRICELLI, Mrs. CLINTON, and Mr. SCHUMER, proposes an amendment numbered 2767 to amendment No. 2698.

Mrs. LINCOLN. Madam 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 delay until at least June 30, 2002, any changes in Medicaid regulations that modify the Medicaid upper payment limit for non-State Government-owned or operated hospitals)

At the appropriate place, insert the following:

**SEC. \_\_\_\_ DELAY IN MEDICAID UPL CHANGES FOR NON-STATE GOVERNMENT-OWNED OR OPERATED HOSPITALS.**

(a) CONGRESSIONAL FINDINGS.—Congress finds the following:

(1) The Secretary of Health and Human Services, in regulations promulgated on January 12, 2001, provided for an exception to the upper limits on payment under State Medicaid plans so to permit payment to city and county public hospitals at a rate up to 150 percent of the Medicare payment rate.

(2) The Secretary justified this exception because these hospitals—

(A) provide access to a wide range of needed care not often otherwise available in underserved areas;

(B) deliver a significant proportion of uncompensated care; and

(C) are critically dependent on public financing sources, such as the Medicaid program.

(3) There has been no evidence presented to Congress that has changed this justification for such exception.

(b) MORATORIUM ON UPL CHANGES.—The Secretary of Health and Human Services may not implement any change in the upper limits on payment under title XIX of the Social Security Act for services of non-State government-owned or operated hospitals published after October 1, 2001, before the later of—

(1) June 30, 2002; or

(2) 3 months after the submission to Congress of the plan described in subsection (c).

(c) MITIGATION PLAN.—The Secretary of Health and Human Services shall submit to Congress a report that contains a plan for mitigating the loss of funding to non-State government-owned or operated hospitals as a result of any change in the upper limits on payment for such hospitals published after October 1, 2001. Such report shall also include such recommendations for legislative action as the Secretary deems appropriate.

Mrs. LINCOLN. Madam President, I offer this amendment along with Senators GRAHAM, NELSON of Florida, MILLER, CORZINE, DAYTON, KERRY, MURRAY, TORRICELLI, CLINTON, and SCHUMER. Our amendment will place a 6-month moratorium on the final rule issued last month with regard to Medicaid upper payment limits.

On January 18, the Centers for Medicare and Medicaid Services published a rule that would eliminate a critical payment source for America's public safety net hospitals.

One year ago, we adopted a bipartisan legislative and regulatory compromise on this matter. This new rule flies in the face of that very compromise we made last year.

We have already closed the loopholes that some States were using to abuse

this aspect of the Medicaid Program. We accomplished this in last year's Medicaid UPL rule by creating three separate aggregate upper limits, one each for private, State, and non-State government-operated facilities.

While ending abuses of the system, the rule also allowed a higher, 150-percent payment limit, for payments to non-State-owned government hospitals. This policy was developed after a lengthy negotiation process to allow States to pay these public hospitals a UPL of 150 percent of what the Medicare Program would pay for the comparable services.

The intent behind this policy was to help compensate the safety net hospitals for the added costs associated with treating the large number of America's most vulnerable, low-income and uninsured patients.

CMS has the tools and the oversight authority to make certain that Medicaid funds are spent appropriately. Current Medicaid UPL policy requires State Medicaid Programs to submit detailed reports on how these funds are to be used. Now CMS says it is curbing the payment ceiling because of the potential abuse of the system, but no one—not CMS, not the General Accounting Office, and not the Office of the Inspector General—has reported any known abuse of the current 150 percent UPL policy. In fact, only a few States, Arkansas and Mississippi among them, are operating under the new rule.

The 150-percent limit has strong support in Congress. We stated as much in last year's Labor-HHS appropriations report, which pointed out that eliminating the higher payment category compromise would be disastrous for all safety net hospitals that participate in the Medicaid Program. Congress also directed the Secretary of Health and Human Services to refrain from issuing that regulation.

CMS is issuing this change in spite of clear opposition from Congress, the National Governors Association, and the hospitals that serve our Nation's most vulnerable citizens. As many of my colleagues, I hold that the Senate should take a hard look at this issue before we go back on the agreement we made last year.

The Senate Committee on Finance should have a hearing on this issue as soon as possible, and we should work together quickly to consider and enact alternative ways in which Congress can assist the public hospitals that serve such a large percentage of low-income and uninsured patients.

In fact, the second part of my amendment asks the Secretary of Health and Human Services to tell Congress what measures we can take to mitigate the lost funding that will ensue from this new rule. Simply put, if we are cutting off the Medicaid UPL program, we must do more to ensure Medicaid Programs that assist these hospitals are



working properly and that their payments are adequate. With this amendment, Congress will formally ask HHS for assistance in this task.

I do not know about other people's States, but I have had a multitude of my smaller hospitals that are now covering even five and six counties because other close-by hospitals have already closed. They are in dire straits, and if we put one more thing on their back, which would be to take away this 150 percent, we are going to put even those hospitals out of business. This is something that is unbelievable in light of the economic development in rural America.

I know Finance Committee Chairman BAUCUS is interested in holding hearings on the Medicaid UPL. In fact, he had scheduled a hearing on this issue on September 13. Unfortunately, the horrible events of September 11 prevented us from having that hearing as we turned to more immediate concerns.

Some may argue this amendment is not germane to an economic stimulus package. I wholeheartedly disagree. The public safety net hospitals in my State and across this country have told me that elimination of the higher payment limitation or payment limit category will be disastrous. The No. 1 cause of bankruptcy in Arkansas is unpaid medical bills. In some parts of my State, such as the rural delta region, the uninsured population among working adults is as high as 28 percent. What better way is there to stimulate the economy than helping people avoid bankruptcy, providing health care in an area where it may not otherwise be provided?

What industry is going to locate in an area that has no health care provider? They do not want that liability. Their employees do not want that lack of quality of life. What better way is there to keep our small towns and rural areas healthy than to ensure that these hospitals stay open? In our rural communities, access to dependable medical care is just as important as a strong public education system. Towns without hospitals fail to attract a workforce for the economic growth necessary to keep their economy vibrant and growing.

Last summer, CMS approved the Arkansas Medicaid UPL Program. The supplemental payments flow directly to the participating hospitals where they are used exclusively for health care and Medicaid purposes. These payments have literally been the difference for some Arkansas hospitals between continued operation or closing their doors. We cannot tell these hospitals we are going back on our agreement at a time when they face increased demands as a result of a slowing economy and a rising unemployment rate and a rising uninsured rate.

Madam President, we depend on our hospitals in times of personal crisis. We depend on our providers. Now they are asking for our help. We must not turn our backs on them.

I urge all colleagues to join me today in voting for this amendment, supporting this amendment; to look to your States and see how desperately you will be affected if this is allowed to happen. I encourage all colleagues to join me in this effort. Health care is probably going to be, if not already, one of the foremost issues we will deal with in this next year. This is only the tip of the iceberg. Our hope is through this amendment we can do some good in beginning to deal with the problems we will be facing in this new year.

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

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

Mr. DASCHLE. Madam President, I come to the Chamber to talk briefly about our current circumstances legislatively and see if we might clarify where we are. It is important for everyone to understand how we reached this point.

Last fall, the Democratic and Republican leadership, in concert with the administration, worked very closely together to come up with a legislative agenda that addressed the needs in the aftermath of the tragedy of September 11. We worked together and passed a supplemental appropriations bill that dealt directly with the needs of our armed services, as well as the needs of New York. We passed it virtually unanimously.

We took up legislation to deal with the use of force authority that the President felt he needed. Working on that, along with appropriate Members in both the House and the Senate, Republican and Democrat, working collectively, we passed the use of force resolution almost immediately—and unanimously.

We then took up the airline subsidy legislation. Again, we had to work through some very difficult questions regarding what kind of assistance, how fast, and what the criteria would be. We passed along with it a victims fund for the victims of New York and the Pentagon. Again, working with that working group and those who were directly involved legislatively, we passed that nearly unanimously. We had suggested in addition, of course, we try to provide benefits for dislocated workers. Our Republican colleagues said: No, let's save that for another time. We are supportive, we just don't want to do it now.

So we backed away.

We then took up the airport security bill. Again, working collectively, it came to the floor, and we passed it nearly unanimously. Again, many of our colleagues raised the concern about the degree to which employees were still at the end of the line.

We helped airlines. We helped airports. We helped the Defense Depart-

ment. We had done as much as we could to respond, but again our Republican colleagues said: No, let's wait until the end of the line.

We said: OK, we will wait.

We did have a cloture vote, but we pulled the amendment after we failed to get cloture.

We then took up the counterterrorism legislation. Again, we worked collectively. It was beginning to be a model that seemed to work fairly well as we responded to each and every one of the stated needs and the agenda that both parties shared with regard to responding to the disaster.

I recall vividly in early meetings at the White House, in discussions with the joint leadership, that is what we needed to do on economic stimulus: Let's take a model that worked. If it had worked for all of those legislative items, it would work for economic stimulus as well. So let's do it there as well. We could move ahead, we could negotiate, we could come to the floor. If people had amendments, we could do that.

I recall vividly our Republican colleagues saying: No, on this one we have to draw the line; we are not going to negotiate. We are going to use what is called regular order. We are going to send you something from the House, and you can take it up and deal with it here in the Senate.

I felt it coming. I knew why we were going to go to "regular order." The reason is because there was an agenda. That agenda had many pieces with which they knew we would not be in agreement. They did not want to negotiate those out before they could roll out that so-called agenda, and that is exactly what has happened.

The House acted. We had hoped we could get bipartisan consensus here in the Senate before we moved to legislation. Those were blocked. Negotiations broke off. We had no option other than to move forward without the benefit of a bipartisan consensus even here in the Senate.

I find it all the more ironic that some of us are accused of obstructing when it was we who clearly made the outreach effort at every level, at every stage, with every group. Republicans refused to negotiate for 3 weeks last fall. Time was wasting. We had no other choice but to move forward with the hope that at some point our Republican colleagues could join us. We now know that never happened.

In the negotiations after we began moving our legislation forward—and, by the way, we talked to the experts, Alan Greenspan, Bob Rubin, so many experts during that period from September through October. The Budget Committee on a bipartisan basis was doing about the same thing. I found it remarkable, and I remember commenting at the time, based upon the negotiations and the discussions we had, how clear it was that the economists, regardless of party, had specific recommendations on which they were

in agreement. It was clear that the stimulus package ought to be temporary. It was clear that it ought to be cost contained. It was clear that it had to be truly stimulative if it were going to be of any value. Those were the goals. They specified with some frequency that those goals had to be in place.

I found it all the more disconcerting that when we finally saw the Republican proposal, there was very little temporary. It was all permanent. There was very little immediately stimulative. A lot of it was delayed many years. And while we had all agreed that maybe a \$60 billion to \$70 billion stimulus package made the most sense, theirs was about \$180 billion, more than twice what was the agreed-upon amount.

They insisted on eliminating the corporate alternative minimum tax. That was one of those issues they were just determined would be in any economic stimulus package. They insisted on rate acceleration, even though the CBO has reported that both rate acceleration and alternative minimum tax repeal have very little stimulative value. That is not a Democratic Policy Committee review. That is not a partisan analysis. That is the Congressional Budget Office. So overlooking the advice of the economic experts, ignoring the evaluative report of the Congressional Budget Office, our Republican colleagues have insisted on a non-stimulative, permanent tax change that is very costly.

We were at this for several months last year. We laid down a bill. They made a point of order stopping the process from going forward. They could have amended it, but they made a point of order instead and stopped the legislation from going forward. Yet Democrats were accused of obstructing.

In as genuine an effort as I knew how to make, over the period between the first and the second session, I thought: How are we going to break this impasse? We could go back and have another rehash of all the old debate of November and December. We could have brought a bill to the floor that we knew didn't have the 60 votes. Some suggested that we take up the House bill. We knew it didn't have 60 votes. That was not going to break the logjam.

So the idea we came up with was simply to take the components—admittedly, they were not word for word but they were components found in both bills—components dealing with extending unemployment benefits—both parties profess to be supportive of that. After all, in 1992 we extended benefits for up to 59 weeks. In 1982, we extended benefits for up to 49 weeks. And in 1974, we extended benefits for up to 65 weeks. Today, we are talking about extending benefits for an additional 13 weeks. Both parties agreed to that.

Both parties agreed to a bonus depreciation. Both parties believed it was

important to have a bonus depreciation. We differed in the years, but that was the second component.

The third component was a recognition about the rebate—that some got it; others didn't. Why not provide a tax rebate to those who got no help the first time, last year? Both parties addressed that as something they could support.

And both parties acknowledged in different ways that States are going to be exposed to huge costs, first, with the bonus depreciation, \$5 billion, and, second, costs they will incur in additional Medicaid benefits they are going to have to pay out as a result of people losing their jobs and incomes going down. So there was a recognition, No. 4, that we would provide some assistance to those States.

This is the third week on this bill. One of our Republican colleagues said no bill is better than the bill DASCHLE laid down. Madam President, I don't know where we go. Our colleagues have chosen not to try to amend the pending legislation, this proposal, but the underlying bill. Why? I don't know. And they are rejecting this common ground proposal and have suggested, now, other amendments that have nothing to do with stimulus in the short term—absolutely nothing.

A couple of examples: Some want to make the estate tax repeal permanent. That takes place, not now in 2002, but in 2010. The Bush tax cut passed last year. Some suggest we make that permanent.

That is not a stimulative approach to the economic circumstances we are facing right now. You can argue philosophically whether they are good or bad, but what that tells me is that our Republican colleagues are not interested in an economic stimulus bill right now. I am not sure why. If they were interested, we would come up with stimulative proposals that do not permanently amend the Tax Code.

The economic experts told us: Don't do anything permanent, don't do anything long term, don't do anything that takes place a decade from now; do something that affects the economy now.

They also said: Try to contain the cost. But making the estate tax repeal permanent costs \$104 billion over 10 years. It would not take effect until the year 2010. Making the Bush tax cut permanent costs \$350 billion over the first 10 years and \$4 trillion over the next 10. That wouldn't take effect until 2011.

Here you have the economic experts saying do something stimulative, do something immediate, do something that doesn't exacerbate the long-term fiscal picture. Yet Republican colleagues are doing just the opposite. They are doing something that takes effect in 2011. They are not doing something temporary. They are doing something permanent. They are racking up debt.

On those two issues alone, we are talking about \$350 billion in the first 10

years alone and \$4 trillion in the second 10 years when the baby boomers retire. That is just permanent tax cuts, and much of this is Social Security and Medicare money that we are talking about.

We only have two choices. The first choice is to pass them. The second choice is to block them. Those are the only two choices.

It appears the Republicans want to block them. You don't need to be on an economic stimulus bill for 3 weeks. They all tell me it is important for us to take up the agriculture bill. I am told it is important to take up the election reform bill. We all heard the passionate speeches about taking up the energy bill. The longer we are on the economic stimulus bill, the longer it will be before we can take up these other very important pieces of legislation.

I know there is plenty of opportunity for the blame game. How easy it is to say, well, they haven't taken up these bills, and it is their fault. We will take our share of the responsibility, but I don't want to hear that in the Senate Chamber. It isn't us holding up this bill for 3 weeks.

I have no other choice but to file cloture today for a vote on Wednesday on this bill. That is the only way I know to bring this to a close. If the cloture motion is agreed to, we will finish the bill this week. Regrettably, it will probably take most of the week. If we fail to get cloture, I will have no other choice but to pull the bill and to move to other legislation. It will then become clear that we will not have a stimulus bill in the short term. I believe it will become clear who it is that doesn't want one.

We have done all we know how to do. In good faith, I have put a bill down. In good faith, I offered it for debate. In good faith, we have entertained amendments on both sides. In good faith, we have had little schedule to accommodate Senators who have other scheduling priorities. We have little time left and much to do. I am hopeful that beginning Wednesday we will know what it is we will be able to do.

#### CLOTURE MOTION

Madam President, I send the cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

#### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle and others substitute amendment No. 2698 for Calendar No. 71, H.R. 622, the adoption credit bill:

Max Baucus, Mark Dayton, Richard J. Durbin, Harry Reid, Tim Johnson, John F. Kerry, Daniel K. Inouye, Patrick J. Leahy, Patty Murray, Byron L. Dorgan, Jack Reed, Deborah Ann Stabenow, Thomas R. Carper, Maria Cantwell, John B. Breaux, Jean Carnahan, Herb Kohl.

Mr. DASCHLE. Madam President, pursuant to past practice, I ask unanimous consent that the live quorum with respect to the cloture vote be waived.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

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

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

Mr. GRASSLEY. Madam President, it is really above my pay grade to respond to what the distinguished Senate majority leader said because there are other Republicans who are likely to do that. I don't do it as a leader, but I want to observe some things which have been said and to respond to them kind of in the sense of how I see it as one Senator, the Senator from Iowa.

I happen to be the ranking Republican on the Senate Finance Committee that has jurisdiction over tax legislation, tax credits, health insurance, unemployment compensation, and most issues that deal with the stimulus package.

My involvement, particularly with Senator BAUCUS as chairman of the committee, and obviously the top Democrat on the committee, has been in trying to arrive at some sort of bipartisan agreement on a stimulus package. We are not given much credit for what we have tried to do, if you compare the environment laid out by the Senate majority leader.

For instance, I don't think it takes into consideration the fact that sometimes during our negotiations Senator BAUCUS was under an unwritten rule laid down by the Senate majority leader that if two-thirds of the Democrat caucus didn't agree with what he was negotiating or what he had agreed to, then it could not be accepted. That probably wasn't meant as a hard and fast rule, but it was surely interpreted as putting Senator BAUCUS in an impossible position to negotiate.

If Senator LOTT, as my leader, told me to not negotiate for anything if you do not have two-thirds of the Republican caucus behind it, effectively that would end negotiations. I wouldn't want to be negotiating under those circumstances. I do not know how you can arrive at agreement.

If both political parties had a rule that you couldn't negotiate anything unless at least two-thirds of each caucus was behind it, that would be like saying you ought to have two-thirds of the Senate to pass any bill. We have some very conservative Members in the Republican Party—one-third of our group would be about 16 or 17 people—who could nullify anything I was negotiating because I am not as conserv-

ative as they are. If they had a veto over it, nothing could be done. On the same hand, there are probably 16 to 17 very liberal Members of the Democrat Party. If they have a veto over some of the things we are trying to get and which the center core of the Senate can agree to, nothing is going to be negotiated on that side either. That was the situation we had sometimes during the debate last fall.

Mr. REID. Madam President, could I ask my friend to yield for a brief second?

Mr. GRASSLEY. I yield without giving up the floor.

Mr. REID. Of course.

Madam President, no one questions the fairness of the Senator from Iowa. I was present in the LBJ Room when Senator DASCHLE explained to the Democrat Senators the process that was taking place to try to come up with a consensus on the stimulus package. He said he wanted to make sure when negotiations take place it comes back here and by more than a majority. I may be paraphrasing. The two-thirds was never mentioned. That is something that just kind of developed. I was there, and I think the Presiding Officer was there. But "two-thirds" has come up, and it is really not valid.

Maybe Senator DASCHLE could be criticized for saying he needed more than a majority, I say to my friend from Iowa, in that the procedure was a little unique, but Senator DASCHLE—I really can't speak for him, but I was at the meeting—wanted to make sure that everyone understood that this was an unusual process, and he would make sure, when he brought it back, that he would go over it with everybody before it was approved.

Again, I say to my friend from Iowa, there was no two-thirds rule that Senator DASCHLE set. I was at the meeting.

Mr. GRASSLEY. Madam President, whether it is a majority or whether it is two-thirds, if I had to go back to my Republican caucus to find out that I had a certain percentage of the caucus behind me, there would be no point in negotiating.

I do not dispute what the Senator from Nevada just said, because he is an honest person and he would state it as he sees it, but it was widely interpreted and it was printed in the press as "two-thirds." Even some people from the other side of the aisle seemed to indicate that in the press. So that is what my statements are based on.

The point is, a caucus appoints people to negotiate something that can get through the Senate. That means 51 votes. Whatever restrictions were put on—the specific percentage aside—it is an impossible situation in which to negotiate. That was the environment that was present during these negotiations, during this period of time that the Senate majority leader is trying to use as an excuse when nothing could get done and saying that Republicans were holding it up.

Another comment that was made during the debate, within the last cou-

ple weeks this bill has been up, is when the Senate majority leader referred to Republicans offering amendments. We had this agreement between the two sides to have an even number of amendments offered: Republicans will offer amendments, Democrats will offer amendments. A Republican would offer an amendment and then a Democrat would offer an amendment. This is so we each have an equal opportunity to get our ideas on the Senate floor for debate. That isn't something used just for this bill. It is done quite often in this body, just so this body functions and functions in a fair way.

There may not be, at this point, as many Democrat amendments filed as Republican amendments, but under the procedure in which we are operating there can surely be an equal number of amendments if the Democrats want to have an equal number of amendments.

I would like to respond to the argument that Republicans are delaying and not cooperating. I would like to put that proposition to the test and look at each side and their movement.

We had a stimulus package, suggested by the President of the United States, in early October, which was before there was a consensus even within this body that the Finance Committee or those of us who lead that committee ought to be working on one.

The President, as a Republican—but he did not do it because he is a Republican; he did it because of the anxiety that had been in the country at that time, and is still there because of the September 11 terrorist attack—needed to do what he could to stimulate the economy as well as helping people who were unemployed and who had health care problems. So the President put a proposal on the table.

I would like to have you look at the President's proposal. President Bush took issues off the table that maybe just Republicans would want more than Democrats. For instance, he took the capital gains reduction off the table. At the same time he was taking issues off the table, he purposely put some on the table that appealed to Democrats, such as the extended 13 weeks of unemployment benefits and rebates for payroll taxpayers.

What I am speaking about occurred in October when he first put his proposition on the table. That was not well received in the Congress, even among Republicans. So the President has moved a long ways to do even more than what he suggested.

But I want to say upfront, the President of the United States was trying to be as bipartisan as he could by suggesting things that he knew Democrats would want.

In early December, he encouraged the centrists—they are a group of Democrats and Republicans who are more in the center of the political spectrum—to push to get a compromise package and indicated that he would work with them. They came up with something.

The President met with them, both before it was finalized and after it was finalized. The President said: If the Senate passes it and if the House passes it, I will sign it.

So I think the President of the United States—albeit he is a Republican—was out in front on this issue, both from the standpoint of the original proposals and from the standpoint of trying to get something that could pass the Senate that he could sign.

We heard from the distinguished majority leader a little earlier about how Republicans objected to help for unemployed workers and having health insurance for unemployed workers coming up on the airline bailout bill. But we were following the consensus of people who were suggesting that if we were going to have a stimulus package, that there should not be anything in it that was industry specific—industry specific meaning helping just unemployed people in the airline industry when you have other unemployed people who would not get help. Consequently, we were following the advice of people such as Chairman Greenspan to be very generic in our approach to helping business or to helping individuals.

On the other hand, I do not like the accusation that somehow helping the airline industry did not help the workers. If those airlines had gone under, instead of there being 30,000 people unemployed, there would have been 330,000 people unemployed. Keeping the airlines flying kept workers on the job and less of them laid off.

We recognize that laid-off workers need help. Obviously, that is why the President came out with a proposal. It was not an industry-specific proposal but was a generic approach to help workers—and not just from the airline industry but from all industries—with the additional 13 weeks of unemployment benefits.

It was also said that Republicans refused to negotiate for 3 weeks. This was that period of time when there were shackles put on Democrat negotiators when we negotiated with them. That was part of it. But also that does not give credit to the hours and hours that Senator BAUCUS and I spent negotiating prior to a bill ever coming up on the floor of the Senate. It does not take into consideration, also, the fact that, at the instigation of the majority leader, the Senate Finance Committee met, and contrary to how we normally do our business in a bipartisan way, there was a push to get a very partisan bill out of the Senate Finance Committee. And it did come out on a party-line vote.

So it seems to me that if we are going to be accusatory, we ought to take into consideration that when there was an opportunity to develop a bill in a committee—the Senate Finance Committee, which almost always does things in a bipartisan way—there was an effort to go strictly partisan and the result was to go strictly partisan.

We have the President of the United States pushing more than anyone else, and the House Republicans passed a bill in early fall. That was a bill not very many people liked. The House accepted that. They scaled the bill back and agreed to go to conference a quasi-conference, not a formal conference such as we used to have.

The House of Representatives, in this informal setting, along with representatives of the White House, made this deal with the Senate centrists, what I call the White House-centrist bipartisan package that would have a majority vote of the Senate, albeit not the 60 votes that are required.

The bottom line is that the President of the United States, in saying he would sign the bill, and the House of Representatives, in passing it, took up the challenge and did what needed to be done. Here we are, once again, in the Senate ignoring something that had a majority bipartisan vote in December before we went home for the holidays. Here we are again. Presumably, it has the same bipartisan votes we had then.

Look with me at the other side of the aisle. I already mentioned the partisan bill in the Finance Committee. I already mentioned the intractable position in conference over non-COBRA eligible, meaning when you are unemployed, you only have to take the insurance from where you were laid off, and if you did not have that insurance, you would not be able to get any other insurance under that proposal.

We allow people to continue the insurance from where they worked with 60-percent credit, but we also allow people who are unemployed who did not have insurance where they last worked to get the same 60-percent credit. But there was an ideological block to that on the part of Democrats who were negotiating. Then we had the refusal of a vote in December on the White House-centrist agreement.

I think the Democratic leadership has resisted movement to the center represented by a bipartisan group of Republicans and Democrats who call themselves the centrists. Even though I am more conservative, I have bought into that plan as one we ought to pass in the Senate. Many amendments have been filed, debated, and voted on, so we have been trying to move this bill along.

I am going to finish where I started last December. Let's have a vote on the White House-centrist agreement. If we pass it, the President will sign it. The unemployed will get their unemployment checks, payroll taxpayers will get rebate checks from the Federal Treasury, middle-income taxpayers will get more money in their paychecks, and the unemployed will get help with health care.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session at 5:15 p.m. today to consider Executive Calendar No. 643, the nomination of Callie V. Granade, to be United States District Judge; that there be 15 minutes equally divided between the chairman and ranking member of the Judiciary Committee or their designees, for debate on the nomination; that at 5:30 p.m., the Senate vote on the nomination; that the motion to reconsider be laid upon the table; that any statements related to the nomination be printed in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

Mr. REID. As in executive session, I ask unanimous consent that it be in order to request the yeas and nays on the nomination at this time.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

#### HOPE FOR CHILDREN ACT— Continued

Mr. REID. Madam President, I have the greatest respect for my friend from Iowa. He is a person who has always been very deliberate and never hides his positions. I have no doubt if he were the one calling the shots and, as he said—and I am using his words—if it was in his pay grade, I am confident this legislation, the economic recovery bill, would have moved much further along.

I have to say in response to my friend from Iowa that he is really looking at this matter, as he set out on the record, with a pair of glasses that do not magnify properly. They want to do what they want rather than go through the regular process and have legislation that we can amend, the so-called centrist package. The problem in all this—and the majority leader laid this out very well earlier this afternoon—in the Senate, whether we like it or not, it takes 60 votes to pass legislation. If someone opposes what you are trying to do, then you have to have 60 votes to break a filibuster and, in some cases, to overcome a point of order.

The fact is, the items the Senator from Iowa mentioned, about which he feels so strongly, do not have 60 votes. The two leaders know that.

Senator DASCHLE, after literally months of wrangling on this, said: OK, all this out here we do not agree on, but there are four things on which we can agree; why don't we pass something that has those four measures in it?