U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 17, 2004.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CRAIG THOMAS, a Senator from the State of Wyoming, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

INCREASING THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to consideration of S. 2986, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2986) to amend title 31 of the United States Code to increase the public debt limit.

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 6 hours of debate equally divided between the chairman and the ranking member of the Committee on Finance or their designees.

The majority leader.

SCHEDULE

Mr. FRIST. Mr. President, today the Senate will begin consideration of the debt limit extension bill. Last night we were able to lock in the time agreement of up to 6 hours on the measure with no amendments in order. I do not believe all the debate time will be required and therefore would like to vote on that measure, if at all possible, this evening. I will talk to the Democratic leadership about that possibility. I remind all Members that the House has to consider this after we act. Initially we thought about possibly doing it tomorrow night, but we have come to the general agreement to move ahead today because the House is waiting for us to act. Therefore, I appreciate everyone's consideration to go ahead and debate this afternoon and bring this to a vote.

I also announce that we want to set aside some time tomorrow to pay tribute to our departing Members. We want to let our colleagues know, as we look further in the day, what time tomorrow that will occur.

Finally, I remind Members we are still trying to close out other business. I was talking to the Democratic leader about the other items. One is the intelligence bill, the 9/11 Commission. Under our leadership, we set out a plan in late July. I hope we will be able to complete that over the course of today and tomorrow.

Of course, we have the omnibus bill, and we have tremendous cooperation on all parts. It is a large bill. It is a complicated bill. The good news is that in a bipartisan way the subcommittees have been able to address all of these issues over the last several months. It is a matter of packaging it, bringing it to the floor, and making sure our Senate colleagues have the appropriate opportunity to review that bill.

We have a lot of work to do. I continue to ask for everyone's assistance and patience as we proceed along these final days and this legislative and executive session and address calendar items.

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

Mr. DASCHLE. Mr. President, I share the views just expressed by the majority leader that we are at a point where we may be able to collapse the time that has been originally requested on the debt limit. I know there are a number of Senators who have expressed a great deal of interest in addressing the issue. The distinguished ranking member of the Budget Committee is here and prepared to speak. But it would be my hope, and I would share it with all my colleagues, especially on this side of aisle, we could complete the debate today rather than tomorrow and have a vote sometime prior to the time we leave for the evening. That, I think, is now doable, and I hope that with both sides of the aisle cognizant of our expectation we could complete our work this evening rather than tomorrow, people might take that into account as they consider the amount of time they may want to request.

I understand we are taking up the tax bill, and I am very pleased we have reached an agreement on that. I compliment particularly the distinguished Senator from Oregon for his work in that regard.

I share the cautious optimism just expressed by the majority leader with regard to appropriations. I think we are still making substantial progress, and it would be our hope that prior to the end of the week we will have an opportunity to address the conference report on that as well, in addition to other matters.

It is shaping up to be a reasonably productive week and I look forward to completing our work sometime before the end of this week.

I yield the floor.

CORRECTING THE ENROLLMENT OF S. 150

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

Mr. ALLEN. Mr. President, on behalf of myself and also Senator WYDEN of Oregon, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Con. Res. 146 which was submitted earlier today.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Con. Res. 146) to direct the Secretary of the Senate to make corrections in the enrollment of the bill S. 150.

There being no objection, the Senate proceeded to consider the resolution.

Mr. ALLEN. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this matter be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

The resolution (S. Con. Res. 146) was agreed to, as follows:

S. CON. RES. 146

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (S. 150) to extend the moratorium on taxes on Internet access and multiple and discriminatory taxes on electronic commerce imposed by the Internet Tax Freedom Act, the Secretary of the Senate shall make the following corrections:

(1) Amend subsection (a) of section 1104 of the Internet Tax Freedom Act (47 U.S.C. 151 note), as added by section 3 of the bill, to read as follows:

''(a) PRE-OCTOBER 1998 TAXES.—

''(1) IN GENERAL.—Section 1101(a) does not apply to a tax on Internet access that was generally imposed and actually enforced prior to October 1, 1998, if, before that date—

''(A) the tax was authorized by statute; and

''(B) either—

''(i) a provider of Internet access services had a reasonable opportunity to know, by virtue of a rule or other public proclamation made by the appropriate administrative agency of the State or political subdivision thereof, that such agency has interpreted and applied such tax to Internet access services; or

''(ii) a State or political subdivision thereof generally collected such tax on charges for Internet access.

''(2) TERMINATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection shall not apply after November 1, 2007.

''(B) STATE TELECOMMUNICATIONS SERVICE TAX.—

''(i) DATE FOR TERMINATION.—This subsection shall not apply after November 1, 2006, with respect to a State telecommunications service tax described in clause (ii).

''(ii) DESCRIPTION OF TAX.—A State telecommunications service tax referred to in subclause (i) is a State tax—

''(I) enacted by State law on or after October 1, 1991, and imposing a tax on telecommunications service; and

''(II) applied to Internet access through administrative code or regulation issued on or after December 1, 2002.''.

(2) Insert after section 6 of the bill the following:

SEC. 6A. EXCEPTION FOR TEXAS MUNICIPAL ACCESS LINE FEE.

The Internet Tax Freedom Act (47 U.S.C. 151 note), as amended by section 6, is amended by adding at the end the following:

''SEC. 1109. EXCEPTION FOR TEXAS MUNICIPAL ACCESS LINE FEE.

''Nothing in this Act shall prohibit Texas or a political subdivision thereof from imposing or collecting the Texas municipal access line fee pursuant to Texas Local Govt. Code Ann. ch. 283 (Vernon 2005) and the definition of access line as determined by the Public Utility Commission of Texas in its 'Order Adopting Amendments to Section 26.465 As Approved At The February 13, 2003 Public Hearing', issued March 5, 2003, in Project No. 26412.''.

AGREEING TO THE REQUEST OF THE HOUSE—S. 1301

Mr. ALLEN. Finally, Mr. President, I ask unanimous consent that the Senate agree to the request of the House regarding the papers relating to S. 1301.

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

INCREASING THE PUBLIC DEBT LIMIT—Continued

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise to discuss the extension of the debt limit. First of all, I thank my colleague from Montana for his great courtesy in allowing me to go first, because we have a hearing in the Indian Affairs Committee, so I thank my colleague from Montana for this courtesy.

Before us is a proposal to extend the debt limit by $800 billion. I will oppose that expansion of the debt limit because there is no plan to reduce the deficits and the increase in the debt we are now facing.

I think it is a mistake for this body to extend the debt limit by $800 billion without a plan to get the deficits under control, to get the debt under control. Instead, what we are doing here is writing another blank check and saying to this administration: Go ahead, continue to run record budget deficits. Continue to increase the national debt. Do not worry about a plan to reduce this increasing dependency on foreign governments, on foreign citizens. Forget about fiscal responsibility.

An $800 billion increase in the debt. Now, make no mistake, we need to extend the debt limit. We have to pay the bills of the United States. So there is no question that we need to extend the debt limit. The question is, by how much. The question is, should we not only do it with a plan to reduce this dependency on borrowing.

I believe the answer to those questions is absolutely. We ought to insist that there is a plan to get the deficit under control. We ought to insist there is a plan to reduce the buildup of debt. We ought to insist that this administration and this Congress face up to the mounting challenges facing this Nation.

To review the dramatic change in our fiscal condition, in January of 2001, we were told we could expect over the next 10 years nearly $6 trillion in surpluses. Now we are told, just 3 years later, nearly 4 years later, instead of trillions of dollars of surpluses, we can expect trillions of dollars of deficits, over $3 trillion deficits. That is a change in our fiscal condition in 4 years of $9 trillion. If that does not cry out for a response, if that does not cry out for this Congress and this administration to come up with a plan to address these burgeoning deficits and debt, I do not know what would require a response.

If we look at the last 4 years, we can see that in 2001 the Federal Government ran a surplus of $127 billion. In 2002, that had turned to a $158 billion deficit. In 2003, that deficit had exploded to $377 billion—the biggest deficit in dollar terms in our Nation's history—and now in 2004, another record deficit, a deficit of $413 billion—record red ink and no plan to address it.

The President has told us, told us repeatedly, that he has a plan to cut the deficit in half over the next 5 years. Do not believe it. Do not believe it any more than the claims the President made that there would be no deficit if we adopted his fiscal plan. The President told us—in fact, the President assured us—that we could count on a record paydown of the debt if we adopted his fiscal plan. Well, we did, and he was wrong because not only have we not had record paydown of the debt; what we have had is a dramatic increase in the debt. As we look ahead, here is what we see the deficit looking like over the next 10 years. I do not see any cutting of the deficit in half. The only way the President gets to his claim that he is going to cut the deficit in half is he leaves out things. He leaves out war costs. He leaves out the need to address the alternative minimum tax. He leaves out the effect of his own tax proposals.

If we take all of those into account—making the tax cut permanent, which the President has recommended; his defense buildup; the alternative minimum tax reform; and ongoing war costs—this is what we see, as the deficits going forward, in the amount that is actually going to get added to the debt every year. This is an ocean of red ink facing this country. Part of the reason, as I have indicated, is that the President, I am afraid, hid from the American people the true effects of his policies.

One way he has hidden it is he has changed from 10-year budgeting to 5-year budgeting. Here is why I believe he did that. This shows the cost of extending the tax cuts as the President has proposed. This dotted line on this chart shows the end of 5 years. But beyond the 5 years, the effect of the President's tax proposals explode in cost. That is the nature of the President's tax proposal. The cost explodes outside the 5-year budget window, just beyond the view of those who are responsible for making budgets for this country. The result is that the red ink the President has promised to reduce will explode right beyond the 5-year budget window.

It is not just with respect to the tax cut proposal, but we see the exact same pattern with the alternative minimum tax. The alternative minimum tax is the old millionaire's tax, which is now affecting 3 million taxpayers. In the next 10 years, it will affect 30 to 40 million taxpayers. It has to be dealt with. The President only provides funding to address this crisis for 1 year.

But look at the pattern of cost. Again, right beyond the 5-year budget window, right beyond this dotted line, which represents the next 5 years, the cost of fixing the alternative minimum tax absolutely explodes, at a cost of over $600 billion. The President does not have that in his budget.

Nor does he have the true cost of the war effort. We have had $25 billion put in a contingent reserve for fiscal year 2005, but we know that is a fraction of the cost. The Congressional Budget Office tells us that the true ongoing cost of war is over $315 billion. None of it is in the budget, other than the $25 billion. None of this $315 billion, other than the $25 billion down payment, is reflected in these numbers in which the President assures us he is going to cut the deficit in half.

I am told the Pentagon is about to propose, the administration is about to propose an additional $70 to $75 billion in a war cost supplemental some time early next year.

I think this hiding of the true financial condition of the country is wrong, and I think it is reckless.

The President told us when we adopted his fiscal plan: I can fully protect Social Security. I won't be taking Social Security money and using it for other purposes. Wrong again. The President is taking every dime that is available to take from Social Security over the next decade—$2.4 trillion—and using it to pay for other things. Mr. President, $2.4 trillion, every dime of which has to be repaid, and the President has no plan to do so.

It is not just there that we see the problem. We also see that the President has a plan to privatize parts of Social Security. Most of the estimates are they would cost some $2 trillion in transition costs. Again, the President has no plan to pay for it other than to borrow the money to do it. More borrowing, more deficits, more debt: no plan to address the issue. These decisions have real consequences.

We can see all of this is happening at the worst possible time, right before the baby boomers start to retire. The baby boom generation is out there. It is not a projection. They have been born. They are alive today. They are going to retire. They are going to be eligible for Social Security and Medicare.

This is what it looks like when you plot the increase on a graph of those who are going to be eligible for Federal benefits. Right now, we have around 40 million people who are eligible, but over these next years the number is going to double. This is the dramatic demographic timebomb that is out there with the baby boom generation.

When we look at the long-term implications—this is not a projection by this Senator or a projection by the Democrats; this is a projection by the Congressional Budget Office—the long-term budget outlook in terms of the effect on deficits, what they show is some improvement over the next couple of years but then an explosion of deficits and debt if the President's proposals are adopted.

We have record deficits now, the biggest in dollar terms in our history, and they pale in comparison as to what is to come if the President's proposals are adopted. There is no response. There is