

million jobs throughout the United States.

The North American Free Trade Agreement is testimony to the impact of expanded free trade for American jobs, growth, and prosperity. Since NAFTA's implementation, total trade among the United States, Mexico, and Canada has more than doubled from \$306 billion in 1993 to \$621 billion last year. That is \$1.7 billion in trade every day between our trading partners to the north and south.

U.S. exports to Canada and Mexico have grown from \$142 billion to \$263 billion over these 10 years. U.S. exports to Mexico of cars and trucks totaled about \$3.3 billion in 2003. That is an increase from exports of approximately \$165 million in 1993.

My State of Nebraska has directly benefited from increased trade and specifically from NAFTA. Nebraska's worldwide exports in 2003 were in excess of \$2.7 billion. Mexico and Canada are Nebraska's largest export markets. Nebraska's exports to Mexico and Canada in 2003 were valued at over \$1.2 billion. From 1999 to 2003, Nebraska's trade with Mexico increased by 87 percent and trade with Canada by 28 percent.

Americans know that changes in the global economy lead to dislocations in domestic workforces. Dislocations are painful. They are difficult. No one wants to lose a job. Americans need retraining programs and education programs that address these global economic adjustments.

Former Secretary of Treasury Robert Rubin has written in his recent book "In An Uncertain World"

... trade must be accompanied by effective programs to help dislocated workers find new places in our economy. This is not only fair, but will contribute both to productivity and to political acceptance of trade liberalization.

Many Americans who lose their jobs, especially jobs in the manufacturing sector, require assistance and retraining to find new work. In 2002, Congress spent \$12 billion on 44 Federal programs, which helped 30 million Americans with job search assistance, employment counseling, and vocational training.

These Federal programs include those authorized through the Trade Adjustment Assistance Act, the Workforce Investment Act, National Emergency Grants, and State-run worker training programs.

These programs have helped and are helping displaced workers all over the country. In fiscal year 2004, approximately \$1.3 billion will be spent on these benefits and programs of the TAA program alone.

TAA programs have provided job training, as much as 130 weeks of unemployment compensation, monetary allowances for job searches and job relocation, tax credits for health insurance, and wage insurance.

The greater longer view challenge for America is to ensure our students have

prepared for the competitive global economy of the 21st century. America's universities are the best in the world.

The global demand for what Secretary Reich has called the "symbolic analytic" sector professionals—research and development, design engineering, law, finance, medicine, and other fields—should and must remain high. It is in America's interest to maintain our leadership in these areas. As Secretary Reich puts it:

America's long-term problem isn't too few jobs. It's the widening gap between personal-service workers and symbolic analysts.

The long-term solution is to help spur upward mobility for all workers by getting more Americans a good education, including access to college.

The trends in this area should be monitored carefully. For example, in 2002, 58 percent of all degrees awarded in China were in engineering and physical sciences. In the United States, only 17 percent of degrees awarded were in these fields. America's security and vitality depend on policies that are based on the strengths of America, not its insecurities. Adjusting to the global economy requires immigration policies that consider those seeking to live and work in the United States as assets and not burdens on our national economy. Daniel Henninger recently wrote in the Wall Street Journal:

The global migration of human labor, on which there is little organized data, is perhaps the most powerful force on the globe today.

Many politicians and commentators have portrayed immigration as a threat to American workers. But immigration is a vital part of America's strength. Throughout our history, immigration has played an important role in our economy. Free trade also directly affects American interests in promoting stability, security, and democracy in other nations. By pursuing free and fair trade, and by encouraging business and investment practices that contribute to more open societies at home and abroad, we are establishing partnerships with developed and developing nations that help make a more peaceful and prosperous world. That is in the interest of all nations, of all people, and certainly of America.

Countries that trade with each other are less likely to go to war with each other. We are all shareholders in this enterprise. We all have a stake in its success. American leadership in free trade will over time reduce America's security commitments abroad, allowing a reduction in American peace-keeping, nation building, and force protection, thus saving American lives and dollars.

The tough economic choices ahead will require leadership, vision, and courage. American leadership in the global economy will depend on confidence at home and abroad. Investor confidence is a catalyst for job creation. Excessive Federal deficits and a looming crisis in American entitlement programs can and surely will un-

dermine our fiscal credibility and our economic leadership.

The Federal deficit for fiscal year 2004 is now projected to be a half trillion dollars. In 2035, 75 million Americans will be over 65 and entitled to Social Security and Medicare. That is double the number of Americans eligible today. Where will the money come from? It will come from economic growth, which will be driven by world affairs and trade, and American international leadership. To lead in the 21st century, America must combine fiscally responsible policies with a commitment to trade. Our economic policies will influence and affect the shape of America's domestic policies and programs, as well as political reform and change throughout the world.

Now is not the time to retreat from our commitment to free trade, market economies, and democratic reforms. Since World War II, America has been the primary architect and leader of a global economic order that has provided the structure for unprecedented growth and opportunity both at home and abroad. Our economic policies, like our domestic and foreign policies, are about the limitless potential of all human beings. Trade is not a guarantee; it is an opportunity—an opportunity to compete and make a better world for all people.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant journal clerk read as follows:

A bill (S. 1637) to amend the Internal Revenue Code of 1986 to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities in the United States, to reform and simplify the international taxation rules of the United States, and for other purposes.

Pending:

Bunning amendment No. 2686, to accelerate the phase-in of the deduction relating to income attributable to domestic production activities.

Grassley (for Bayh) amendment No. 2687 (to amendment No. 2686), to provide for the extension of certain expiring provisions.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this afternoon we resume consideration of the JOBS bill. The chairman of the committee, Senator GRASSLEY, is on his way over. I thought I would proceed to make sure we do not have any dead time.

While the Senate went off this bill and considered the budget just a week ago, the Bureau of Labor Statistics released new job figures for February. Those data show 8.2 million people are still unemployed. That is more than 2 million more than at the beginning of the recession in March 2001. Job growth remains too slow.

As this chart shows, we have lost more than 3 million private sector jobs since December 2000, and job creation has not turned around.

This next chart shows jobs lost—2.2 million jobs lost; overall total employment, 3 million jobs lost from January 2001 to February 2004; 3 million lost in the private sector during that same period. It was almost 3 million, 2.8 million lost in the manufacturing sector.

The economy created just 20,000 new jobs in February. The private sector created no new jobs last month. All the net new jobs came from the Government. Let me repeat that. There were no new private sector jobs created last month. Yet there were 20,000 new jobs overall, and all those jobs were Government jobs. That is not something I think we want to do.

This next chart shows manufacturing jobs. It is very interesting to see that in the years 1950, 1960, 1970, all the way up to the year 2000, this dotted line shows that today, 2004, we have the fewest jobs in America in half a century. That is the fewest jobs in half a century. Stated another way, the number of jobs we have now is as low as it was a half century ago.

Manufacturing jobs declined for the 43rd straight month. Mr. President, 3,000 manufacturing jobs disappeared in February. Manufacturing employment is at its lowest point in more than a half century, since March of 1950. Again, that is what this chart shows. The job level now is as low as it was a half century ago.

Part of the story is that the American manufacturing worker has become more productive. The average manufacturing worker has turned out more product than before. But it goes deeper than that. Manufacturing production—that is the output of manufacturing jobs—remains below the levels of the beginning of 2001.

There is reason for continued concern about the future. A week ago, Goldman Sachs reviewed the latest manufacturing data and concluded:

[W]e interpret Monday's decline in the New York Fed's Empire Survey for March as one more piece of evidence that the manufacturing sector is transitioning to somewhat slower growth. . . .

This next chart shows the share of population with jobs. That is, we reached our peak in about the year 2000 of the percentage of American popu-

lation that had jobs, and we can tell by the chart that whereas it has been steadily rising in percentage of Americans who have jobs from 1994, steadily rising up to the beginning of the recession in March 2001, we have declined precipitously since that date.

In sum, the jobs picture remains sluggish. Even the normally taciturn Federal Reserve noted the weak job market in saying in a recent statement last Tuesday that "hiring has lagged."

The latest Labor Department numbers show total unemployment fell in February to 138.3 million. The share of the population age 16 and older with jobs declined to 62.2 percent. This employment population ratio is lower than it was at any time between March 1994 and June 2003. Again, that is in the chart as I just indicated.

The slow job market spans the Nation. As of January 2004, nearly 3 years after the recession began, almost every region of the country continues to have higher unemployment than in March 2001. Forty-five States have higher unemployment rates than when the recession began.

In terms of unemployment, my State of Montana has fared better than some, but unemployment remains markedly higher than pre-recession levels throughout much of the country. Colorado unemployment is up 2.8 percent. Again, if we look at the chart, every State has higher unemployment, as indicated by red, but for three States. One is the State of Montana, where it is level. In two States, Nevada and South Dakota, unemployment has actually declined. In every other State, unemployment has increased at a very marked rate.

Again, as I said, Colorado is up 2.8 percent; Ohio is up 2.6 percent; Massachusetts up 2.6 percent; Oregon up 2.4 percent; New York up 2.3 percent; Texas is up 2.1 percent; and New Jersey is also up 2 percent. The list goes on.

In terms of the absolute number of jobs, 36 States have failed to get back to the pre-recession employment levels. In 49 States, job creation has not kept up with natural growth in the number of potential workers. Only in Alaska has job growth exceeded the growth of working age population.

The news of the Nation's slow job growth has cycled back to lessened consumer demand, and thus economic growth. This chart shows consumer confidence. As we can see beginning in 1994, consumer confidence in America remained at about the 95 percent level. This is the consumer confidence index, based in the hundreds, so it was a little lower in 1994 to 1996. It steadily rose from 1997 to 1998. Those are the boom years. It reached its peak roughly at the beginning of the recession in March of 2001, and then just plummeted to its low levels.

Why is that important? It is important because, as I have mentioned, the Nation's slow job growth has cycled back. It has cycled back to lessened consumer demand. When consumer de-

mand is down, economic growth also falls off as well.

In the latest consumer confidence survey, confidence fell for the second straight month in part because of consumer concern over the weak job market. Nearly 3 years after the start of the recession, consumer confidence remains below its January 2001 levels.

These numbers of people without jobs are not just statistics; they are real lives. These are real lives we are talking about. This weak job picture causes real pain. It causes disruption in many families.

For example, there is a fellow named John in East Helena, MT, who has worked 22 years at the ASARCO smelter plant that has recently closed. John suffers permanent health problems from working with chemicals at the plant. He has been unable to get full-time employment so he works part time. John cannot get health insurance because he has preexisting health conditions.

Then there is Bruce. Bruce is 50 years old. He worked 28 years at that same East Helena smelter. He did what they say to do; that is, use retraining benefits and train as a computer technician. Unable to get work in that field, he works now full time in a grocery store.

Often when a person loses a job, a family loses a job. Evelyn from western Montana wrote:

I am concerned about the economy of Western Montana. . . . I see that industry . . . is [waning]. What do we have to offer our children and grandchildren in the way of stability within Montana? . . . What do you propose . . . [to give us] a hope of being able to support our families?

Kim wrote about her husband's job:

The second paper mill my spouse has worked at in three years is threatened with closure in the next six to twelve months. In a letter to the employees . . . in Missoula, Montana[,] the company president blamed the endless drain of manufacturing America to overseas as the cause for possible shutdown. [The company] makes liner-board, the cardboard boxes products are shipped in. [I]f products are not made in the United States, boxes are not needed. . . . [T]he liner-board market is a direct reflection of the state of the economy[,] because the more liner-board boxes sold[,] the more products being manufactured within the United States. . . .

Real people like John, Bruce, Evelyn, and Kim are the reason we need to move this bill. We need to fight to create and keep good manufacturing jobs in America.

The bill before us provides a 9-percent deduction for manufacturing, effectively reducing the tax rate for domestic manufacturers by 3 percentage points. The JOBS Act will thus help all manufacturers produce goods in the United States. Cutting taxes for domestic manufacturers will help prevent layoffs and will help preserve jobs. It is the right thing to do.

We got a good start in this bill the week before the budget resolution. The Senate agreed to the managers' amendment that among other things ended some outrageous leasing tax shelters,

and the Senate unanimously extended the R&D tax credit. We expanded that credit for universities and labs.

We also conducted a good and spirited debate on an amendment by Senator DODD. That amendment addressed the performance of Government contracts by American workers. After working collaboratively on modifications proposed by Senator MCCONNELL and Senator MCCAIN, the Senate agreed to that amendment by a vote of 70 to 26.

The Senate then began debate on an amendment proposed by Senators BUNNING and STABENOW to accelerate the phase-in of the manufacturing tax cuts. The Senate also began considering an amendment by Senator BAYH providing for an extension of expiring tax provisions. These last two important amendments are now pending.

Under a previous order, the next first-degree amendment in order will be that offered by the minority leader or his designee. We understand the amendment will be proposed by Senator HARKIN regarding the Department of Labor's overtime regulations. I know there are strong feelings on this amendment, but Senators are all now aware that we must address that issue in order to move this bill along. I hope we can come up to a vote on that amendment in a reasonably short period of time and move to other amendments.

In the end—and I will keep returning to this theme—this bill is about jobs, good jobs, about jobs in America. We are trying to help preserve American manufacturing. The task ahead of us is large, the challenge great, but Americans do not shrink from that challenge.

Renee, the bookkeeping manager for a small manufacturer in Bozeman, MT, said it well when she wrote:

The United States is a nation built on steely determination in the face of overwhelming odds. We must act now to reverse the loss of our high-skill, high wage manufacturing jobs.

That is our job, and we need to do that. We need to get this bill done for John, Bruce, Kim, and Evelyn and all the hardworking Americans who depend on a strong manufacturing sector in America. We cannot let them down. Let us move on to the bill, let us move on to amendments and let's address them. Let's move this bill and let us do what we can to strengthen American manufacturing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to reiterate the words of my distinguished ranking member, the Senator from Montana, on the importance of getting this bill passed. This bill is about jobs because it is about keeping American manufacturing competitive, particularly manufacturing that is exported. Export-related jobs in America are very good jobs because they pay 15 percent above the national average.

This bill, that we call by the acronym FSC/ETI, foreign sales corpora-

tion extraterritorial income, reduces the income tax on goods manufactured in the United States and sold overseas. Whether it is done by American manufacturers or foreign companies that have come to America to establish a manufacturing plant and hire Americans, it applies to both. It does not apply to American companies that manufacture overseas.

The World Trade Organization is the reason we are debating this bill, because the World Trade Organization has ruled that our FSC/ETI legislation, that has been on the books for more than a couple of decades, is an illegal export subsidy and has authorized up to \$4 billion a year of sanctions against U.S. exports. This is something the World Trade Organization said to the European Community that they could do on U.S. exports, because until we change this law, they see us not living up to our international trade obligations.

Why would the United States respond to the World Trade Organization this way? In the very same way we expect Europe or any other country to respond when the United States wins cases before the World Trade Organization. Let me say, we win many more than we lose. In fact, anybody reading commerce newspapers over the last week would find out that the United States has recently won two decisions before the World Trade Organization on other issues.

In regard to Europe, as one specific example, we expect Europe to abide by the decision that the U.S. cattle producers won in the World Trade Organization because Europe was not taking in our red meat, our beef products, because they were treated with a growth stimulant. Europe has decided not to abide by the World Trade Organization decision, so the United States, over the last 2 years, has imposed sanctions against Europe.

Would it be surprising to you if the U.S. Government does not respond positively to the World Trade Organization ruling and then Europe would, in fact, put sanctions against American products? They have already done that. Starting March 1, there has been a 5-percent increase in sanctions. We are going to have a 1-percent increase each month that we do not repeal this legislation. By November that would be in effect a 12-percent sales tax on American products going overseas to Europe.

It is very difficult for the United States to compete when we have a level playing field, but when we have a 12-percent add-on you can see that eventually some companies are going to become uncompetitive and, as a result, workers will be laid off.

What we want this legislation to do is not only avoid these sanctions, but we want to put American manufacturing in more of a competitive environment than it is in presently by reducing the corporate tax rate on companies that export if the manufac-

turing is done within the United States of America.

We have, potentially, by November, sanctions of 12 percent on American products. This is a very serious threat to all Members because sanctions are going to hit agricultural products, timber products, and even manufacturing products. We need to get this issue behind us before Memorial Day or sooner or we will never be able to get this bill to the President for signature.

I wanted to act on this bill last year because I was fearful politics would get in the way of the Senate's ability to do the job. Obviously, the closer you get to the election, the more there is an opportunity for politics to interfere.

The opening debate and shenanigans we had 2 weeks ago when we first took up this bill confirmed my worst fears. Some on the other side want to play politics with this bipartisan bill. Senator BAUCUS and I had an agreed order of amendments that would have improved the bill and brought up important, relevant issues. That agreement was undermined by the other side, particularly the leadership on the other side. The leadership does not really want to debate the substance of this bill. Yet they would say it is very important to get this bill passed.

We hear a lot about not creating enough jobs in the economy in this recovery. This is our opportunity to create jobs. I would think everybody would want to get this bill passed. Instead, it seems this bipartisan bill is being turned into a political football.

I am hopeful everybody on the other side of the aisle will see the best policy is also very good politics. That is what we have with this bill. We help domestic manufacturers; we help U.S. companies compete overseas. Putting politics ahead of good policy is exactly the wrong approach.

In effect, this political game does not help those who face sanctions. In other words, jobs in the industries and the products that have already been identified by Europe for sanctions are going to be in jeopardy. Particularly where we have so much problem competing with the global competition we have, it doesn't help our domestic manufacturers and workers, in manufacturing as well as other segments of the economy.

As I said before, I hope the Democratic leadership will focus on the task at hand and not play politics with this very important bipartisan piece of legislation.

With that procedural point I wanted to make behind us, I wish to speak specifically as a reminder to my colleagues of some of the important features of this legislation. Repealing FSC/ETI, as the World Trade Organization has ruled against the United States and implied that we need to get our laws in tune with our international obligations, the repeal raises around \$55 billion over 10 years, and 89 percent of that \$55 billion comes from manufacturing industries. If that money is not sent back to the manufacturing sector,

it will be a \$50 billion tax increase on manufacturing. You know one of the simple rules of economics 101—you tax something more, you get less of it.

The Congressional Budget Office then says we have lost 3 million manufacturing jobs since the manufacturing decline started in the last year of the Clinton administration—in other words, since the middle of July. A \$50 billion tax increase now on that manufacturing obviously is not going to stimulate manufacturing jobs.

The bill before us uses all the money that is raised from the FSC/ETI repeal to put back into manufacturing, giving manufacturing corporations and self-proprietorships and other business entities a 3-percentage point tax rate reduction on all income derived from manufacturing in the United States.

This is not meant to help—and will not help—because our bill is not written this way to help manufacturing done offshore. We start phasing in these tax cuts this year. The cuts apply to different business entities, sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, or foreign corporations that set up manufacturing plants in the United States but only if they set up their manufacturing plants in the United States. We are not doing anything in this bill to export jobs overseas; just the opposite. What we are doing is meant to create jobs and preserve jobs in manufacturing in the United States, and to give the benefit to American-based companies or foreign corporations based in America that are creating jobs here.

Our bill also includes the Homeland Reinvestment Act, which has broad support in the House and Senate. The finance bill is also revenue neutral. That is very important because it seems to be an unwritten rule in the Senate—maybe not one that I entirely agree with, but if we are going to get anything done in a bipartisan way when it deals with tax reform, it has to be revenue neutral.

This bill, as amended, provides over \$130 billion in business tax relief, but it is paid for by extending customs user fees and, most importantly, by shutting down corporate tax shelters and abusive loopholes.

It is an unwritten rule in the Senate, as I said, for revenue neutrality. So we have gone beyond the \$50 billion to \$130 billion of tax changes but offsetting it totally with money raised from FSC/ETI, from customs user fees, and, most importantly, doing something that ought to be done with or without this bill—shutting down these tax shelters and abusive loopholes.

As all bills, there is never complete agreement on an approach. Our bill contains a temporary haircut on rate reduction that some of us would like to remove and others of us would like to retain. Some Members prefer a reduction in the top corporate rate in place of international reforms and a rate reduction applying just to manufac-

turing. These Members would say you ought to treat all corporations the same. If all corporations were being impacted with a WTO ruling in the same way, whether manufacturing or not, I would agree. We are talking about basically manufacturing and at least 89 percent of the revenues coming in. We say we want to keep our manufacturing competitive. We are going to pour most of the benefits of this legislation back into the manufacturing sector.

Those on the other side say it ought to be across the board, affecting all corporations. There is a desire on the other side for a simpler approach by just cutting taxes across the board, but a top level rate cut would only go to the biggest corporations of America. Local family held S corporations or partnerships which presently get some ETI benefits would get nothing from that approach. If we redirect the FSC/ETI money to an across-the-board corporate cut, then the manufacturing sector will be the revenue offset for the services sector tax cut.

The international tax reforms largely fix problems our domestic companies face with the complexities of the foreign tax credit. These reforms are necessary if we are to level the playing field for U.S. companies that compete with our trading partners.

The Finance Committee's bipartisan bill has been improved with an amendment to extend the research and development tax credit through the end of year 2005. That is a domestic tax benefit which is an incentive to research and development. This translates also into good, high-paying jobs for workers in the United States and not overseas. Plus, it is an incentive for research and development which is going to keep our industries competitive with the highly educated workforces of Russia, China, and India where we are finding increasing competition. We need to keep up with these others.

America has no reason to be timid about the competitiveness of our workforce—the competitiveness of our workers from the standpoint of our educational commitment and our educational attainment. We have nothing to worry about when it involves our research leading us to new industries not of this decade but for the next decade. America has a very flexible economy. We can compete. Anyone who says we can't compete is a defeatist. I am not a defeatist when it comes to America's ability to be ahead of the rest of the world as we have been for the last 100 years in almost every aspect of our economy. The research and development part of this bill is surely something that is going to help us continue to do that.

In addition to the previously agreed upon research and development amendment, there are several additional amendments pending which will substantially improve this bill. First is an amendment offered by Senators Bunning and Stabenow to accelerate the

manufacturing deduction. This amendment assures that the tax relief and related economic benefits of the bill are provided more quickly to those hurt by the repeal of FSC/ETI.

Second, I have offered an amendment with Senator BAUCUS to extend the 2-year tax provisions which expired in the years 2003–2004. This includes items such as the work opportunity tax credit and the welfare-to-work tax credit which have been merged and simplified into a single credit as proposed by Senator SANTORUM and others in the bill, S. 1180.

A third pending amendment on net operating losses should also be included. This amendment allows companies that operated at losses during the difficult economic conditions of last year to offset those losses against their income for the previous 5 years. This provision would accelerate tax relief to companies that need to continue operations and recover from recent difficulties.

I ask my colleagues: Let us get on with the business at hand. Have this institution be what it traditionally has been. Yes. An institution where everything is thoroughly discussed as it ought to be because this is the only institution where that can be done in our American political system. But it is also an institution that moves along and doesn't stymie legislation. We know our responsibilities are to the taxpayers of this country to produce a good product and produce it quickly. If we think of the best policy, we will in fact have the best politics. Let's put good economic policy ahead of short-sighted politics.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I take a couple of moments to discuss the pending second-degree amendment, the amendment offered by the Senator from Indiana, Senator BAYH. It is an excellent amendment. It is somewhat broad in scope. I commend Senator BAYH for suggesting this. My guess is it will be adopted without too much difficulty.

I have been pushing for a long time, and I know the chairman of the committee has, as well, the package of extenders. We have crafted the underlying JOBS bill to create jobs and to stimulate competitiveness in American business. In addition to the new provisions in the bill, it is critical we renew our past commitments in the Tax Code and not leave anyone behind. I am talking about the so-called package of tax extenders.

We failed last year to extend many expired or expiring tax provisions that are essential. We now have another chance. That is the amendment offered by the Senator from Indiana, not only to extend these provisions, but also to improve upon them.

When we were last on the bill, the Senate acted to improve one of the provisions, the research and development

tax credit. This was the first of many positive steps we need to take to fix an ailing economy. Encouraging research and development clearly is one of the most important forward looking actions we could take. Why is that so important? It is the underlying basis for improving innovation and for addressing the offshoring of American jobs.

In addition, there are many other provisions commonly referred to as extenders. They all address the needs of our Nation. These are not contentious. They are not partisan. Rather, they are provisions that just make good sense.

The chairman and I pushed to have these same provisions extended last year. We urged our colleagues not to wait until the last minute before these provisions were expired. We wanted to move right away.

These provisions are like a yo-yo. We enact them. We extend them for several months, sometimes a year or a year and a half, we let them expire. After they have expired, sometimes we go back and reenact them retroactively and there is no break. Sometimes we do not reenact them retroactively. It is very poor policy.

I personally believe all these provisions should be enacted permanently into the Tax Code. We should not have the on-again, off-again, up-and-down, yo-yo effect Congress has undertaken in addressing these provisions. For the life of me, I cannot understand why we are not making these permanent. Nevertheless, they are not, and taxpayers have suffered often from lapsed provisions. We have let them down. I hope we do not do that again. The time has now come to extend these provisions. If we do not act now, there is no telling when our next opportunity will be.

In this package there are many good provisions that have already expired. They are widely supported. The expiring provisions include a diverse array of topics and all are important. One of the most important expiring provisions we must address is the one allowing for the carryback of net operating losses, otherwise known as NOLs. In the wake of prolonged economic downturn and the recent ruling by the WTO, it is very important we give American businesses a chance to recover their losses. Like the underlying JOBS bill, this provision also promotes economic growth.

Two other important provisions are the work opportunity tax credit, sometimes known as WOTC, and the welfare-to-work tax credit. I have worked long and hard with many of my colleagues—especially Senator SANTORUM, Senator BAYH; both Senators worked very hard—for the provisions to make the credits permanent. Unfortunately, we cannot achieve permanence at this point, but neither can we afford to let this opportunity pass.

The work opportunity tax credit and the welfare-to-work tax credit are proven initiatives that help economically disadvantaged workers get jobs. They help those receiving the welfare

check to earn a paycheck. That is very important. These provisions very much help get people off welfare and to get jobs. Both of the credits expired in 2003 in December.

As we consider ways to create jobs for Americans, it is only appropriate to consider what these tax credits have done for both employees and employers across our country. In a recent study, it is shown in New York State the work opportunity tax credit generates economic benefits that exceed the cost of the program. These programs are too valuable to fall by the wayside.

This amendment, including the extenders, will simplify and strengthen the credits to expand unemployment opportunities for disadvantaged individuals and attract more employers to participate in the program.

Along with these are other provisions that help raise the standard of living in America now and in the future. Individual credits against the alternative minimum tax provide for such things as lifetime learning credit, the HOPE scholarship, and care for the elderly and disabled. These provisions not only create incentives for education but also help families build a stronger financial base.

Other benefits to be gained from this important extenders package include encouraging computer contributions to schools, economic recovery provisions in the wake of September 11, deductions for school teachers, and energy incentives for the environment. And the list goes on.

These tax incentives make America a better place, a better place for jobs, education, health care, environment, and more. Now is the time to act. We must not let these essential parts of our Tax Code fall by the wayside.

I encourage my colleagues to join me in support of this amendment offered by the Senator from Indiana, Senator BAYH, and others. Like the JOBS bill itself, these provisions will help make important contributions to American business and to American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I will speak as in morning business and I will yield the floor for anyone who wants to speak on the legislation.

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

ENERGY

Mr. GRASSLEY. Madam President, I will deal with the issue of the energy bill in the context of where we left off last November, two votes short of stopping a filibuster against the legislation so it could be passed. That means we had 58 votes. We needed two more. We cannot get two more votes. Therefore, the bill still languishes.

It was the first major energy policy for probably 15 years as far as the Federal Government passing one is concerned, and things are a lot scarier now than they were last November. Now we

have what are the highest gasoline prices in the history of our country, just slightly above where they were a year ago, and previous to that a couple times in the late 1990s or the early part of this century. In other words, over the last 4 or 5 years they have probably been almost as high three or four times. We also have, different than at most times, very high natural gas prices.

The impact in the economy is very negative, as we know. The impact upon low-income families is very bad, as we know. It is a shame we could not get that bill passed last November. I hope we can get one passed very shortly. In fact, I had hoped the high natural gas prices and gasoline prices we faced would be an impetus to any Member in this body. Of the 42 who did not vote to stop debate, hopefully these Members will see the need for passing this energy legislation to help the economy, to help the consumers of America, to move this economy along.

I recall over the last 4 or 5 years there have been high gasoline prices in the past and maybe not so high natural gas prices in the past, that there has been an outrage expressed on the floor of this Senate about those high gasoline prices—Members speaking about collusion within the industry, Members asking the Department of Justice and the Federal Trade Commission to investigate whether there was any anti-competitive activity, and tremendous outrage over the high prices.

Now that gasoline prices are higher, I would guess I would hear that same outrage. But we are not hearing it. I wonder if we are not hearing it because so many Members on the other side of the aisle were part of the filibuster against the energy bill last year, and they are ashamed when they had an opportunity to do something to bring an energy policy to America they did not do it.

That energy policy was one that was well balanced between tax incentives for the production of fossil fuel, tax incentives for the conservation of energy, and tax incentives for alternative and renewable fuels—a very well-balanced piece of legislation, legislation I would say was well balanced to meet the immediate needs of our country, which are best met by the fossil fuels we have been using for more than 100 years to take care of the near term but also well balanced for the outyears. Obviously, since God only made so much fossil fuel, and it is finite, the dependence on renewable and alternative fuels, as well as incentives for conservation, is the pattern for the future if we are going to have a sound energy policy.

This package, put together by Senator DOMENICI, is well balanced and had the good fortune of having so many of these tax incentives involved that came out of my Senate Finance Committee in a bipartisan way.

So why not the outrage now? We keep hearing so much debate during

the bill that is before us, and during morning business by Members, particularly of the other party, about the problems we are having creating jobs, the problems we are having with the Nation's economy.

There might be a difference of opinion whether the economy is doing well, but there are a lot of statistics that show it is doing well with the 8.2 percent growth for the third quarter of 2003, and the 4.1 percent growth for the fourth quarter of 2003, and unemployment holding steady at 5.6 percent. But we are still hearing the outrage that jobs are not being created. And who can argue that if you are unemployed and want a job you ought not have a job? You would expect to have a job with an economy growing where it is now and with the fabulously low rate of unemployment of 5.6 percent, because seldom have we had that low a rate of unemployment in the last 40 years. A national energy policy would surely help us with the creation of jobs.

So you can ask, where are the jobs, particularly manufacturing jobs? One factor affecting the manufacturing industry and, in turn, the economy in general I have not heard mentioned during the debate is the rising cost of energy. The fact is, the rising energy costs continue to be a drag on our economy.

In January, consumer prices jumped one-half of 1 percent, and that was only because, as small as that is, of higher energy costs. In fact, energy costs rose 4.7 percent, accounting for more than three-quarters of the overall increase in consumer prices.

Crude oil for April delivery is over \$36 a barrel on the New York Mercantile Exchange. Gas prices at the pump around the Nation are at record highs. Nationally, a gallon of regular gasoline averages \$1.74. That is 2 cents higher than at this time last year.

Why are energy prices so high? Well, global demand for crude oil is increasing because of greater demand not only in the United States but because of a higher percentage of demand in Japan and China.

OPEC, which supplies 40 percent of the world's oil, recently announced they intend to cut production by 1 million barrels a day starting April 1. That is obviously going to push prices yet higher. This is from OPEC, an organization that has repeatedly stated their goal is to keep prices somewhere between \$22 and \$28 a barrel, not now satisfied with \$36 a barrel. Because we are so dependent upon foreign countries for over 60 percent of our crude oil, I think they have gotten us—meaning OPEC has gotten the United States—over a barrel.

We have also seen a sustained increase in the demand and cost of natural gas. Because natural gas is now the fuel of choice for new electricity generation, the demand for natural gas is no longer seasonal. While our existing policies in Washington have cre-

ated the increased demand for natural gas, we have done very little to ensure a domestic supply to meet that demand.

In fact, the increased exploration is not bringing in enough new natural gas online to keep up with the increased needs we have in this country. Hence, as you understand economics 101, when supply is down, price is up; hence, higher natural gas prices.

The fact is, high fuel prices remain a concern for transportation firms. High energy prices hurt steel mills, manufacturers, farmers, and eventually end up hurting all consumers. High energy prices cost American jobs. Unless we increase supply, we are going to see record high prices again this year, and we are going to see a continued drag on the American economy.

We need to help the manufacturing and agricultural industries save existing jobs and go beyond that to create new jobs. We need to lower our Nation's energy costs.

What are the alternatives? We could and should apply pressure to members of OPEC to increase supplies. Some have suggested releasing crude oil from the Strategic Petroleum Reserve to increase supply and drive down prices.

I believe we can and must take action in the Senate to address rising energy costs. As my colleagues know, we have been considering a comprehensive energy bill in this Chamber for over a period of 3 years now, with the most progress made last year when we had a bill pass the House, a bill pass the Senate, a bill come successfully out of conference committee, and overwhelmingly pass the House of Representatives, but being defeated or at least stalled here on the floor of the Senate last November when we came up two votes short of stopping debate, to stop the filibuster, to get to finality. So it is quite obvious we have the votes to pass an energy bill in the Senate.

It is a shame we cannot get over that hurdle of 60 votes to get this bill there, to get us on the road to greater self-sufficiency with energy as we try to do it through a combination of incentives for fossil fuel production, incentives for energy conservation, and for alternative and renewable fuels. That conference committee agreement was voted on last November. Unfortunately, we had a minority of Senators successful in filibustering the bill.

I strongly support the chairman of the Energy Committee, Senator DOMENICI, in his efforts, then as well as now, to move this bill forward or, short of moving it forward, a bill of a similar nature to start over as hopefully one way of getting around a Democratic filibuster.

I am pleased Senator DOMENICI has introduced a slimmed-down bill that addresses the major concerns that prevented the Senate from adopting the conference report. This bill goes a long way toward increasing domestic energy production of conventional energy such as oil, natural gas, and nuclear power.

The bill includes provisions to improve the tax treatment of natural gas gathering and distribution lines. It includes incentives for the construction of a natural gas pipeline from Alaska to markets in the lower 48. The bill seeks to improve our Nation's electricity transmission capacity and reliability by creating enforceable and mandatory reliability standards and providing incentives for transmission grid improvements.

It also includes a number of provisions that would increase domestic production of renewable energy and create jobs at home. Through the renewable fuels standard, it would double the use of domestic homegrown ethanol, a first-time tax incentive for biodiesel to be made from soybeans.

It would also bring new sources of energy on line. It would extend the wind energy production tax credit that I first got through the Senate in 1992. It would have an expansion of the production tax credit for biomass and a tax incentive for purchases of residential solar and wind energy equipment.

Each of these provisions will increase our production of domestic renewable energy resources. They will also create thousands—some people have estimated 800,000—of jobs all across our country.

The bill also includes incentives for energy-efficient improvements to existing homes and for the purchase of alternative fuel vehicles. These initiatives will lead to an increased domestic supply of energy, a more stable economy, and thousands of jobs for America's workers. Make no mistake about it, this energy bill is a jobs bill.

As I indicated, these provisions are in a new bill that Senator DOMENICI is trying to move along. But the ideal way to handle this would be to get two more votes to bring to an end the filibuster of the bill that was before the Senate last November because all of these provisions are included in that bill. There is no reason to start all over again, particularly when now, compared to last November, we have the highest price for gasoline in the history of our country, and we still have outrageously high prices for natural gas.

It is time this country has a national energy policy. There is no reason two Senators who are in the minority should stand in the way of moving this legislation along, legislation that passed the House and Senate overwhelmingly last year, came out of conference after about 2 months of work on putting together a compromise that could get an overwhelming vote in the House of Representatives and get a vast majority vote in the Senate, but two votes short of the 60, the extraordinary supermajority it takes to stop a filibuster. I don't understand why we have Democrats from corn States, with everything this bill does for the production of ethanol that would help the farmers of their States, and also help the energy needs of our Nation, how

any Senator who is from a big corn-producing State could dare vote not to end this filibuster.

There are votes out there from members of the other party, from corn-producing States, who ought to explain to their constituents why they won't join in this effort with other farm State Senators to bring massively on line the production of ethanol that can help us be more energy independent from OPEC nations, particularly in a time when Americans are shedding blood in Iraq because we need some stability in the Middle East to guarantee oil coming to our country. Obviously, the blood I am talking about is shed because of the war we are in, the war to defeat terrorism against Americans, against western culture, but also the sort of democracy we can have in the Middle East brings stability that we don't have there now. And it is important to have that stability for the economic needs of our country.

I don't know why we can't get some votes from some farm State Democrats. We only need two of about half a dozen, whom we could easily identify, who should be voting with us to bring finality to this issue.

I believe these bills on energy, because we have this pending bill before the Senate and we have the conference report that is through the House and two votes short of getting to finality in the Senate last November—whichever one you are talking about—I believe these bills represent a comprehensive energy policy consisting of conservation efforts, the development of renewable and alternative energy sources, and domestic production of traditional sources of energy. This bill goes a long way to develop an energy policy that will drive down the cost of energy and create jobs at home so that we don't have to have the outrage that we have on the Senate floor, primarily from members of the other party, over 3 out of the last 5 years when energy prices have been so high. Why don't we do something about it? We have an opportunity. We don't seem to grasp it now when it is here.

This bill is too important to our economy to let it die. Therefore, I strongly encourage Members on both sides of the aisle to help our leadership bring either the conference committee up for a vote on the issue of stopping debate or the new bill that Senator DOMENICI has placed before the Senate, to bring it to the floor and consider it in a timely manner, and timely is already probably 3 months late as we have seen the energy prices go up to the highest level, hurting our economy. We can and should come to an agreement so we can consider and pass this JOBS bill as soon as possible.

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. HARKIN. 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. HARKIN. Madam President, I know we are a little stalled on the floor right now. There is an underlying amendment to the bill, and then there is a second degree that is now trying to be worked out having to do with tax extenders. I understand there may even be yet another second degree into this package.

I know the leadership has said there will be no votes today. I understand that. But I ask the Presiding Officer, is there now pending a unanimous consent agreement that after the disposition of the pending amendment, and any amendments thereto, that Senator DASCHLE or his designee would then be recognized to offer an amendment?

The PRESIDING OFFICER. The agreement does authorize the leader or his designee to offer the next first-degree amendment.

Mr. HARKIN. I thank the Presiding Officer because that was my understanding: that upon the disposition of the pending amendment, and any amendments thereto—any second degrees—then Senator DASCHLE would be recognized, or his designee, in which case he is designating me to offer the overtime amendment.

Now, I was here the other day, and I was going to offer the overtime amendment as a second degree to the underlying amendment, but then Senator GRASSLEY got recognized, as is his right as the chairman of the committee, to offer a second degree, and that now is what is pending before the Senate.

I take the floor this afternoon to once again state how urgently necessary it is that we proceed to consideration of my amendment regarding the administration's proposed changes of the rules on overtime.

To recapture what has transpired, about a year ago, the Department of Labor issued proposed regulations that would fundamentally change how employers pay overtime to people who work over 40 hours a week. These proposed regulations came forth without having one public hearing, perhaps the most substantial change in our overtime laws since 1938 when they were adopted under the Fair Labor Standards Act.

You would think if any administration wanted to really change how overtime is paid, they would have gone around the country and had public hearings. This is normally what you do. No. These were issued without one public hearing.

Now that the proposed regulations have been out there, the Department of Labor has heard from America. I understand tens of thousands, maybe as high as 70 or 80,000, comments have come in on these proposed regulations. Still the administration has not seen fit to have public hearings about it. I think they thought they could do it quietly. This is a fundamental alteration, the biggest alteration since 1938

when the Fair Labor Standards Act was passed.

Last year I offered an amendment to an appropriations bill that would have denied the right of the administration to issue the proposed regulations and would have forced the administration to work with Congress, to have hearings and come up with a reasonable approach to changing overtime rules. That amendment was adopted by the Senate on a bipartisan vote. The House of Representatives soon after had a vote on what they call instructing their conferees, which is basically a vote to say we agree with the Senate and this is what we want in the final bill. That passed the House of Representatives.

So they went into conference between the House and the Senate with my amendment intact. Somehow it never made it to the final bill. The administration came into the conference and said it had to be taken out. It was thrown out. And, of course, the Omnibus appropriations bill we vote on, as you know, cannot be amended. So, therefore, we were faced with an up-or-down vote on the bill without this amendment. We had to vote to keep the Government operating, to pay our troops in Iraq, and everything else.

I said at the time this is too important a matter just to forget about and move on. So when the Senate came back into session in January of this year, I immediately took to the floor and said: At the first opportunity, I will offer this amendment again. The American people now have heard about it, and they know about it. They are beginning to understand what it means to them and their jobs to have these changes go into effect. I believe the votes are here, once again, to say to the administration: No, don't take away the right of people to get time-and-a-half pay when they work over 40 hours a week.

By some estimates, up to 8 million American workers would have their right to overtime pay taken away. So I have said I would offer this amendment on this bill. They call this a jobs bill. Well, this amendment is about jobs. It is about not only protecting jobs and overtime pay, but it is about creating jobs.

I believe it is necessary to proceed to consideration of this amendment so that the administration, once again, will understand that prior to any final regulations being issued, they need to go back to the drawing board, hear from the public, work with Congress, as other Congresses have done. Since 1938, we have amended the Fair Labor Standards Act maybe a dozen times, but it has always been done in conjunction with Congress, Congress and the administration working together to come up with reasonable amendments to the Fair Labor Standards Act. There is nothing wrong with that. Times change. Conditions change. This should be done periodically.

But this administration did not do that. They just drafted these under the

cover of darkness, issued them and said: We are going to take away the right of about 8 million Americans to overtime pay.

So it is appropriate that we debate and vote on my amendment on the FSC JOBS bill because my amendment is about one thing—jobs. These new overtime rules will eliminate time-and-a-half overtime pay for up to 8 million American workers. But, again, it is not just about eliminating overtime pay. These proposed rules will retard the creation of new jobs. This is just basic logic. If employers can more easily deny overtime pay, they will push their current employees to work longer hours without compensation. With 9 million Americans currently out of work, why would you give an employer yet another disincentive to hire new workers. Yet that is exactly why the administration is pushing these new overtime rules. This is why these proposed new rules have the support of some major business groups in America but not all.

I always like to point out that I represent a lot of businesses in my State of Iowa—good, healthy, productive businesses. Not one business in my State of Iowa has come to me saying we need to change the overtime rules, not one. I am wondering, where is this coming from?

The National Association of Manufacturers says, well, they will reduce labor costs. It will reduce the need to hire new workers. It will have a direct destructive impact on jobs in the United States.

So let's be clear. My amendment on overtime is about creating jobs, overcoming the stagnant job market. And, yes, it is about making sure we protect the time-honored right to overtime pay when you work over 40 hours a week.

There was an article that appeared in the Wall Street Journal which I think summed it up. It says: Shortchanged. Many firms refuse to pay for overtime. Employees complain. Others claim workers are exempt under the law or raise output targets, but the rules are confusing.

Here is the quote:

... While employees like overtime pay, a lot of employers don't. That is no surprise. Violations are so common that the Employer Policy Foundation, an employer-supported think tank in Washington, estimates that workers would get an additional \$19 billion a year if the rules were observed. That estimate is considered conservative by many researchers.

In plain English, the Employer Policy Foundation, an employer-supported think tank in Washington, is basically saying American workers are being cheated out of \$19 billion a year because they are working overtime and they are not getting paid for it right now.

Well, guess what happened, Madam President. A couple of these companies got caught. They got taken to court. They appealed and the appeals court found for the employees. One famous case on the west coast is where em-

ployees were clocking out of work after working an 8-hour day, and they were being forced to come right back in the door and work longer hours. Well, they got caught. More and more employers were getting caught.

So now what they want to do is change the rules. They want to work you longer. They want to work you more than 40 hours a week, but they don't want to pay you overtime. That is what the Wall Street Journal said.

So rather than being confronted with the fact that they might be taken to court, they change the rules. Now there won't be any court case. That is what the administration's proposal on overtime is all about. It is about taking away the rights of people.

You know, I had a quote that I will bring up in further debate on this amendment. One worker—a woman, if I am not mistaken—said something I thought was very poignant. She said:

My time with my kids and my family in the evenings and on the weekends is premium time to me. If I am being asked to give up my premium time with my kids and my family, then I think I ought to get premium pay. That is what overtime is about.

They are asking you to give up your premium time with your family, your children, to work overtime. You ought to get premium pay, which is what time and a half is all about. Again, the Bush administration thought they could put these new rules into effect quietly, with no hearings, before anybody knew what was going on. They were wrong. They got caught. The fact is, public outrage over the proposed new overtime rules has gotten stronger and stronger as Americans learn more about the details. They want these proposed rules to be stopped.

I understand if the other side, the Republican side, can drag this out and prevent a vote, well, then maybe in the next month or so they can issue these final rules taking away overtime pay, and then it will be very hard to undo that later on. They know that. That is why they don't want a vote on this amendment. That is why the other side is doing everything they can to keep me from getting a vote.

Madam President, we are not going to be quiet about it. This is the editorial from the New York Times: "The Quiet Shift In Overtime."

It says:

The Bush administration is engineering bread and butter changes in the Federal regulation of overtime pay. . . .

The proposed Labor Department regulations have stirred justifiable concerns.

They are being presented by the Labor Department as overdue improvements.

But as they are doing it, as they said, they are doing it quietly, behind the scenes.

More problematical is the possibility that more workers—millions, according to pro-labor analysts—could be forced into unpaid overtime under the regulations, which do not affect blue collar workers. By some estimates, veterans, police detectives, or senior nurses might lose overtime compensation

that now accounts for as much as 25 percent of their salaries.

They thought they could do it quietly, but the more we learned about it, we found that the American people were not going to sit by and let premium time with their families be taken away, being forced to work longer hours for regular pay.

With so many people unemployed, you would think you would want to create jobs. These proposed rules on overtime will be a disincentive to creating any new jobs.

Madam President, I hope we can get to my amendment. I will have more to say about it. I have more data and details I wish to bring out. For example, one thing I brought out before, since 1938, there has been a classification of learned professions, such as lawyers, doctors, architects, things like that—the learned professions, which were exempt from overtime. In all of the regulations since that time, there has never been any inclusion in the learned professions of what an individual learned while serving in the U.S. military. It wasn't until going through these proposed regulations with a fine-tooth comb that we discovered there were inserted into these proposed regulations four or five words about what these learned professions—as it goes through them all—learned while in the military, military training.

That had never been in the regulations before—never. Why were those in there? Here it is right on this chart. These are the changes, the new part of the regulations that had never been there before:

However, the word customarily means that the exemption is also available to employees in such professions and substantially the same knowledge level as the degreed employees, but who attain such knowledge through a combination of work experience, training in the Armed Forces, attending a technical school, attending a community college, or other intellectual instruction.

What is different? "Training in the Armed Forces" has never been in these rules before. So when we see all these ads saying "join the Army and be all you can be," they talk about all the nice technical training you can get while you are in the military. What they are not telling you now is, if you do that, after you get out of the military, you will be exempt from overtime pay because of what you learned while you were in the military.

So we could have a situation where we have two individuals: one goes to the military and gets training and the other doesn't. They come out and they could have substantially the same kind of jobs. One could have had on-the-job training and one learned in the military. Both are basically equal. The person who served in the military gets cheated out of overtime, but the person who wasn't in the military would be able to get overtime. What kind of sense does that make? But it is in there.

"Training in the Armed Forces" has never been in the rules since 1938. We

fought World War II, the Korean war, the cold war, Vietnam war, and every other war and we have never said to the men and women in uniform when they learn something in the military, we are going to take away their right to overtime. Why are we doing that now? Why are we doing that?

Again, these are some of the hidden little things in this proposed regulation that need to be brought out, with scrutiny in the sunshine. Let people know about it. Again, I hope we can get to my amendment. It has the overwhelming support of the American public. As more and more of them know about this, they don't want their right to be taken away. I have talked with workers who received no overtime last year, no overtime pay. They were expressing to me how much they were opposed to this proposed change in the rules.

I said: If you are not working overtime, why are you opposed?

They said: It is a right we have. We may not have gotten overtime, but if I do work it, I want my right protected. That just about sums it up. It is a right that should not be taken away.

Again, it is urgent that we proceed to the overtime amendment. Let's go to my amendment. Let's have a good debate. I am willing to have a time agreement, if the other side would like to have a time agreement. Let's have the debate. I want to hear from the other side why we should let these proposed regulations go into effect. Let's have the debate so the American people can understand what is at stake, and let's have an up-or-down vote on my amendment. Let's have an up-or-down vote on whether the Senate would agree with the administration that these proposed rules, these changes in the Fair Labor Standards Act, should go into effect or whether the administration should go back to the drawing board, work with Congress, do it in an open, aboveboard manner.

There are some changes that do need to be made in the Fair Labor Standards Act. There is one part of the proposed rules of which I am supportive, and that is raising the base from about \$8,000 a year to \$22,000 a year. That should have been done a long time ago.

My amendment does not affect that. My amendment leaves that in place. But in giving with one hand—that is, raising the base up to \$22,000 a year—the administration is taking away the right to overtime pay from about 8 million Americans with the other hand. That is a bad deal.

I hope we can get to my amendment. I hope we can have a good debate and an up-or-down vote on it. I am prepared to do so whenever the leadership dispenses with these pending amendments.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. 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. NICKLES. Madam President, I ask unanimous consent to speak as in morning business for not to exceed 10 minutes.

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

WAR ON TERRORISM

Mr. NICKLES. Madam President, last night I observed, as I am sure many Americans did, Richard Clarke's statement on the program "60 Minutes" where he made some very strong allegations concerning President Bush and his lack of effort on the war on terrorism. I was struck by his tone, by his statements, and also by the lack of questions concerning what he had done the previous years.

I believe Mr. Clarke was appointed in May of 1998 by President Clinton as the first National Coordinator for Security Infrastructure Protection and Counterterrorism at the National Security Council. That is a very long title, but many people say "counterterrorism czar." He was the person to combat terrorism. That is a very prestigious position, a very important position.

Looking at the events that occurred in 1998 and also in 2000, I wonder what we were doing. I kept waiting for the questioner to ask him: Why didn't we do more?

On August 7, 1998, terrorists bombed the American embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. Madam President, 212 people were killed on August 7, 1998, and over 4,000 people were injured in Nairobi. Eleven people were killed and 72 people were wounded in Tanzania. It was a very deadly day.

Two U.S. embassies—that happens to be U.S. soil—a lot of people are not aware of that but our embassies are U.S. soil. Those are U.S. buildings, those were U.S. employees, some U.S. citizens—almost all U.S. employees. Africans were killed.

What was our response? The Clinton administration, with Mr. Clarke as the head of counterterrorism, lobbed a few cruise missiles, supposedly to get Mr. bin Laden. We missed, but I compliment them for trying.

What else did we do? Did we try again? The answer is no. Did we send special forces over there? The answer is no. They killed 212 people in Nairobi, 11 people in Tanzania, over 4,000 people injured, some of them critically, very seriously injured, and what did we do? We lobbed a few cruise missiles and hit the desert. This was in August of 1998.

I kept waiting for the questioner to say: Why didn't we do more in 1998? I heard him say: We were on a wartime footing; we had a lot of meetings; I had a lot of face time with President Clinton; I talked with him about it; we urged him to do more. Why didn't we do more?

I have only served with a few Presidents but I could not help but think

Ronald Reagan would have done more. We had American soldiers who were killed as a result of a terrorist bombing in Germany, and Ronald Reagan sent planes to Libya and sent a heck of a signal to Mr. Qadhafi and, frankly, I think he changed his terrorist ways to some extent.

I can't help but think President Bush 1 would have done more, and I know President Bush 2, the current President, would have done a lot more.

President Clinton was President for 8 years, and Mr. Clarke was head of his counterterrorism division for about 3 of those years. He worked in his administration in another capacity as well. But we didn't do hardly anything after the 1998 bombings, which was a direct assault on the United States and our citizens, our people, our property, and two poor countries in Africa, and we did not do anything.

Later, the USS *Cole* was attacked on October 12, 2000, and 17 people were killed, 39 were wounded, and it was pretty close to being a lot more serious than that. We could have had hundreds killed. Again, that was a direct attack on the United States. Mr. Clarke was still head of counterterrorism, and what did we do then? The answer is nothing. They might have had some meetings, but they did not do anything. They did not do anything visible, anything we could see. They did not make concerted efforts.

Last week, I was watching on TV a picture of bin Laden walking in Afghanistan where we had satellites viewing him, and we still did not do anything. We did not have assets in the region. Why? We had plenty of time to put assets in the region to make a change and maybe prevent 9/11/2001 from even happening, but maybe the administration and maybe Mr. Clarke were preoccupied or they did not have it high on their priorities.

Those questions were not asked in this program. Maybe, for whatever reason, he has a vendetta against the current President. I don't know.

I also learned today from Condoleezza Rice, the President's National Security Adviser, that Mr. Clarke wanted a job in the new Department of Homeland Security. I don't know what caused his change. I don't know what his motivation is. I am not sure if he wants to sell books or is looking for a job or what his efforts are. But I am amazed at the neglect or the lack of interest in the previous administration after we had our embassies attacked, after we had the USS *Cole* attacked, and we had Americans killed and hundreds of American employees killed.

We had thousands of people injured, and we did not do anything. For him to have the gall or the nerve to start pointing a finger at President Bush saying he did not do enough in fighting the war on terrorism when Mr. Clarke was actually in a position to really do

something for 2 or 3 years during the Clinton administration, I find unbelievable. I cannot believe the press would not ask, why did he not do more, why did President Clinton not do more? Why did we not respond? If we would have responded in 1998, 1999, or 2000, maybe 9/11 would have never happened. It is unbelievable that kind of attack would be made. Maybe it is for political reasons. I do not know. It is very sobering and startling.

I hope when he is in front of the cameras or maybe when he is before a committee in Congress people ask him why did he not do more when he was in a position to do so.

It is also interesting to note on October 19, 2001, the Bush White House issued a press release saying Mr. Clarke was recently named special adviser to the President for cyberspace security. It is not the same. The President has an excellent team and he receives counsel from an excellent team. With his national security adviser, Condoleezza Rice, Vice President DICK CHENEY, with Secretary of State Colin Powell, the President has an excellent team in foreign policy.

I am very disappointed in Mr. Clarke's comments. I think he should be held accountable and questions need to be asked of him.

I yield the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CORNYN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending Grassley amendment No. 2687 be agreed to; provided further that I then be immediately recognized to offer a further second degree related to net operating loss. I further ask consent that the amendment then be agreed to, and the underlying amendment No. 2686 be agreed to, as amended, with the motions to reconsider laid upon the table. I further ask consent that Senator HARKIN then be recognized in order to offer an amendment relating to overtime; further, that no second degrees be in order to that amendment prior to a vote in relation to that amendment.

The PRESIDING OFFICER. The Democratic whip.

Mr. REID. Reserving the right to object, Mr. President, I think this is tremendous progress. I commend the two managers of the bill. They do work well together, as everyone knows. But I have heard—and I certainly do not know if this is valid or not—there is going to be an effort made later tonight to try to invoke cloture on this bill. I want everyone within the sound of my voice to know we have spent time here this afternoon with our manager, and we have indicated that we believe we could whittle down signifi-

cantly the number of amendments that are pending on this very important piece of legislation.

The amendment Senator HARKIN is going to offer is his amendment. We have worked with the majority on other occasions to have him not offer this amendment in an effort to get important legislation passed. We can no longer do that. It is long overdue that the Senate speaks on this issue. I can say, as I have indicated, to anyone listening, if there is an attempt to invoke cloture on this legislation without an up-or-down vote on the overtime amendment offered by the Senator from Iowa, there are no guarantees, but I think it is going to be extremely difficult to have cloture invoked on this bill.

We want an up-or-down vote on this overtime amendment. If there are efforts made later tonight to file a motion to invoke cloture, I think the majority leader should know that I think it is extremely doubtful that he would get cloture on this bill.

Senator HARKIN has been talking about offering this amendment on several occasions, and we are going to go forward. As I said, I want the majority leader to know that I think it would be extremely doubtful, without an up-or-down vote on overtime, that he would be able to get cloture on this bill. I could be wrong, but I really kind of doubt it.

I also want everyone to understand that the reason for taking this bill down is the inability of the minority to get a vote on this overtime amendment. It seems somewhat foolish to pull down this very important bill for this amendment. I cannot imagine why the other side won't let us vote. It has passed before. It will pass again. The overtime amendment will pass.

So having said that, I withdraw my reservation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 2687) was agreed to.

AMENDMENT NO. 2882 TO AMENDMENT NO. 2686

Mr. GRASSLEY. Mr. President, then, according to the unanimous consent agreement, I send an amendment to the desk for Senators BUNNING, LINCOLN, SANTORUM, CONRAD, and BAUCUS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. BUNNING, for himself, Mrs. LINCOLN, Mr. SANTORUM, Mr. CONRAD, and Mr. BAUCUS, proposes an amendment numbered 2882 to amendment No. 2686.

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

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

The amendment is as follows:

(Purpose: To provide for the extension of the special net operating loss carryover provision)

At the end of the matter proposed to be inserted at the end of the bill, add the following:

SEC. ____ FIVE-YEAR CARRYBACK OF NET OPERATING LOSSES.

(a) IN GENERAL.—Subparagraph (H) of section 172(b)(1) is amended—

(1) by inserting “5-YEAR CARRYBACK OF CERTAIN LOSSES.—” after “(H)”, and

(2) by striking “or 2002” and inserting “, 2002, or 2003”.

(b) RULES RELATING TO CERTAIN EXTENDED NET OPERATING LOSSES.—Section 172 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

“(k) RULES RELATING TO CERTAIN EXTENDED NET OPERATING LOSSES.—For purposes of this section, in the case of a taxpayer which has a net operating loss for any taxable year ending during 2003 and does not make an election under subsection (j), such taxpayer shall be deemed to have made an election under paragraphs (4)(E) and (2)(C)(iii) of section 168(k) with respect to all classes of property for such taxable year.

(c) TEMPORARY SUSPENSION OF 90 PERCENT LIMIT ON CERTAIN NOL CARRYOVERS.—Section 56(d)(1)(A)(ii)(I) (relating to general rule defining alternative tax net operating loss deduction) is amended—

(1) by striking “or 2002” and inserting “, 2002, or 2003”, and

(2) by striking “and 2002” and inserting “, 2002, and 2003”.

(d) TECHNICAL CORRECTIONS.—

(1) Subparagraph (H) of section 172(b)(1) is amended by striking “a taxpayer which has”.

(2) Section 102(c)(2) of the Job Creation and Worker Assistance Act of 2002 (Public Law 107-147) is amended by striking “before January 1, 2003” and inserting “after December 31, 1990”.

(3)(A) Subclause (I) of section 56(d)(1)(A)(i) is amended by striking “attributable to carryovers”.

(B) Subclause (I) of section 56(d)(1)(A)(ii) is amended—

(i) by striking “for taxable years” and inserting “from taxable years”, and

(ii) by striking “carryforwards” and inserting “carryovers”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to net operating losses for taxable years ending after December 31, 2002.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (d) shall take effect as if included in the amendments made by section 102 of the Job Creation and Worker Assistance Act of 2002.

(3) ELECTION.—In the case of a net operating loss for a taxable year ending during 2003—

(A) any election made under section 172(b)(3) of such Code may (notwithstanding such section) be revoked before April 15, 2004, and

(B) any election made under section 172(j) of such Code shall (notwithstanding such section) be treated as timely made if made before April 15, 2004.

(4) SPECIAL RULE FOR TAXPAYERS WITH TAXABLE YEARS ENDING DURING JANUARY.—Any taxpayer which has a taxable year ending during January may elect under this paragraph to apply section 172(b)(1)(H) of the Internal Revenue Code of 1986 (as amended by this section) to its taxable year ending in 2004 rather than its taxable year ending in 2003. If such election is made, then section

172(k) of such Code (as added by this section) shall be applied to the taxpayer's taxable year ending in 2004. Such election shall be made in such manner and at such time as may be prescribed by the Secretary of the Treasury. Such election, once made, shall be irrevocable.

(c) PRIOR SECTION TO HAVE NO EFFECT.—Notwithstanding section 311(e) of this Act, such section, and the amendments made by such section, shall not take effect.

Mr. BUNNING. Mr. President, I am happy to join with my colleagues in offering an amendment to address the net operating loss NOL rules in the Internal Revenue Code. The NOL carryback and carryover rules are designed to allow taxpayers to ease swings in business income that result from business cycle fluctuations and unexpected financial losses.

I am certain that every Senator on the floor will admit that the last few years have been difficult for many American companies. But we have finally turned the corner and are headed to economic recovery. Businesses are finally ready to reinvest in equipment and, more importantly, create new jobs. The NOL provisions increase the cash flow of many struggling American companies and help them to hire and retain workers and fund capital investments.

Under current law, companies may carry back NOL for 2 years. In the Job Creation and Worker Assistance Act of 2002, however, we here in Congress recognized the difficult circumstances that many American businesses have found themselves in during recent years and have granted them temporary relief by allowing NOL to be carried back for 5 years, rather than 2. That 5-year carryback provision expired at the end of 2002.

I believe that it makes sense to extend the relief we have granted in the past in the form of a 5-year NOL carryback for one additional year. While the economy started showing strong signs of economic recovery last year, there were still many taxpayers who incurred unexpected financial losses in 2003. Now is not the time to roll back important tax provisions that are among the very reasons we are now on the road to economic recovery. We need to give American companies every opportunity to expand and invest.

I led the fight with my colleague, Senator CONRAD, to extend the 5-year carryback provision to 2003 when we passed the bill before us out of the Finance Committee with strong bipartisan support last fall. Senator CONRAD and I were able to include in the Finance Committee-approved bill a 3-year carryback for 2003. The amendment I offer with my colleagues today will expand upon what we achieved in committee by simply returning the NOL carryback rule for 2003 to the 5-year period rather than the 3-year period currently provided for in this legislation.

This important amendment will give much needed relief to U.S. employers and provide an additional jump start to our economy.

Mr. BAUCUS. Mr. President, a fundamental feature of any income tax system is the ability to use losses to reduce taxable gains. If a company has gross income of \$100,000 and losses of \$50,000, we don't force the company to pay tax on \$100,000—they only pay tax on net income.

But just as a company can have gross income and losses within the same year, a company can also have income in one year and losses in the next.

Letting companies "carry-back" their losses to prior years smooths things out and helps companies deal with the hardships of the business cycle.

And it is important to be able to carry losses back. Carrying losses forward doesn't give taxpayers a boost when they need it.

Carrying losses forward only gives them a boost after things have already turned around.

Many businesses have been in hard times for the last 3 or 4 years. Giving them a 1- or a 2-year NOL carryback doesn't help them—because they don't have any profits in the last few years.

For many of these companies, the last year they were profitable was 1999 or even earlier. These companies will be able to use a 5-year NOL carryback to help them turn things around.

I urge you to support this amendment, to help get our economy going again.

For example, the timber industry in Montana and many parts of the Northwest was profitable in the late 1990s. But many of these timber companies—both large and small—have fallen on hard times in the last few years. The terrorist attacks of 9/11, the economic downturn, and the wildfires of last summer have taken their toll on these timber companies.

These companies paid large tax bills when things were going well. But how that they are struggling they can't get any of those taxes back.

If they had a smoother, more consistent pattern of earnings, they would have paid less tax over the course of the last 5 years. Instead, the boom-bust cycle that has actually played out is giving them higher tax bills overall.

This NOL provision will ensure that these timber companies—and many other companies in cyclical industries—pay an appropriate amount of tax over time. It will give them a boost in those unprofitable years when they need it most.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment. The amendment is agreed to.

The amendment (No. 2882) was agreed to.

VOTE ON AMENDMENT NO. 2686

The PRESIDING OFFICER. The question is on agreeing to the underlying amendment, as amended.

Without objection, the amendment, as amended, is agreed to.

The amendment (No. 2686), as amended, was agreed to.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider are laid upon the table.

The Senator from Iowa.

AMENDMENT NO. 2881

Mr. HARKIN. Mr. President, I call up amendment No. 2881 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. KENNEDY, Mr. SARBANES, Mr. KERRY, and Ms. MIKULSKI, proposes an amendment numbered 2881.

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

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

The amendment is as follows:

(Purpose: To amend the Fair Labor Standards Act of 1938 to clarify provisions relating to overtime pay)

At the appropriate place, insert the following:

SEC. __. PROTECTION OF OVERTIME PAY.

Section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213) is amended by adding at the end the following:

"(k)(1) The Secretary shall not promulgate any rule under subsection (a)(1) that exempts from the overtime pay provisions of section 7 any employee who would not be exempt under regulations in effect on March 31, 2003.

"(2) Any portion of a rule promulgated under subsection (a)(1) after March 31, 2003, that exempts from the overtime pay provisions of section 7 any employee who would not otherwise be exempt if the regulations in effect on March 31, 2003, remained in effect, shall have no force or effect."

Mr. HARKIN. Mr. President, I appreciate my colleague from Iowa, the Senator from Montana, and also Senator REID, our assistant leader on this side, for working out this agreement. As I have said all along, all we want is debate and a vote on the overtime issue.

This is an important issue that has come to a head right now because the administration shortly will be issuing final regulations on this issue without really having duly consulted with Congress. These regulations could take away the right to overtime pay for over 8 million American workers.

So I hope we can have a good debate on this, probably tomorrow—not tonight but tomorrow. Certainly I have discussed this with the Senator from Montana. We would be willing to enter into a time agreement.

I have heard some talk around that the other side, the Republican side, will now file a cloture motion. Obviously, if that cloture motion wins, then my amendment fails because it is "nongermane."

Now, we just saw—and I did not object to the amendments just being adopted which have to do with some extenders. There were some other things added. Those are also nongermane to the bill. So the other side cannot make the argument that they are not going to allow nongermane

amendments to this bill. We just adopted a whole bunch of nongermane amendments to this bill. So that is fine. We do that all the time around here.

I hope we can have a good debate on this overtime issue and have an up-or-down vote. I can assure the other side that if their goal is to cut off this amendment by filing a cloture motion, we will do all we can on this side to deny cloture on this bill until we have a vote on the overtime amendment.

With that, Mr. President, I yield the floor and look forward to the debate tomorrow on overtime.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I would like to comment on the remarks of the Senator from Nevada. He mentioned the possibility of a cloture motion. My colleague from Iowa also mentioned that possibility, and it could be a possibility. But I hope that will not poison the waters as we still try to reach agreement on this amendment and try to reach agreement on getting to finality on this bill.

I, along with Senator BAUCUS, have urged that we not have a cloture motion. That, of course, is a leadership decision. I would urge my colleagues to think in terms of the fact that it takes 48 hours for that motion to mature so it can be voted upon. That will be time for us to see if we can work out agreements not only on the pending amendment but also on any other amendments that may be adopted, and then, if so, the cloture motion could be vitiated.

I hope Members will look down the road at the goal of this legislation. That goal is to create jobs that are going to be very difficult to create if we are stuck with sanctions put on our manufacturing by the European Union. We already have 5-percent sanctions. It is going to go up 1 percent a month until it gets to 17 percent. Between now and the election, that is going to add up to at least 12-percent sanctions.

I hope both sides of the aisle will agree that it is already very difficult for U.S. manufacturing to compete in the global economy. A 17-percent penalty after 1 year is just like a 17-percent sales tax. That is going to make our manufacturing exports much more uncompetitive. Since everybody is concerned about creating and preserving jobs, keeping American manufacturing strong, competitive, passage of this legislation is very important.

We all have amendments we want to get adopted. We want the Senate to consider amendments, whether germane or nongermane. There is plenty of opportunity between now and adjournment of this Congress to consider these amendments. In the meantime, if we don't pass this legislation this week, we are going to have a 6-percent penalty in April, a 7-percent penalty in May. I hope we can get this legislation passed very soon so we can get rid of all those sanctions against our products.

In the meantime we have reduced the corporate tax for manufacturing in America by 3 percentage points, and that is going to make it possible for the cost of capital in America to be less expensive and make American manufacturing much more competitive and, in the process, preserve jobs and create jobs.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant journal clerk proceeded to call the roll.

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

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

Mr. MCCONNELL. Mr. President, I ask unanimous consent that amendment No. 2686, which was previously agreed to, be considered to have been agreed to without amendment; further, I ask unanimous consent amendment No. 2687, which was also previously agreed to, be considered as having been agreed to as a first-degree amendment, amended by amendment No. 2882.

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

MOTION TO RECOMMIT WITH AMENDMENT NO. 2886

Mr. MCCONNELL. Mr. President, on behalf of the majority leader, I now move to recommit the pending bill to the Committee on Finance with instructions to report back forthwith, with the amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. MCCONNELL], for Mr. FRIST, moves to recommit the bill, S. 1637, to the Committee on Finance with instructions to report back forthwith with an amendment No. 2886, by Mr. MCCONNELL, for Mr. FRIST.

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

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

(The amendment is printed in today's RECORD under "Text Of Amendments.")

CLOTURE MOTION

Mr. MCCONNELL. Mr. President, I have sent the cloture motion on the motion to recommit to the desk. I ask the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the cloture 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, do hereby move to bring to a close debate on the pending motion to recommit to the Committee on Finance, Calendar No. 381, S. 1637.

Bill Frist, Charles E. Grassley, Jon Kyl, Jim Bunning, Lindsey O. Graham,

Mike Enzi, Trent Lott, Mitch McConnell, Craig Thomas, Orrin G. Hatch, Gordon Smith, Rick Santorum, Robert F. Bennett, John Ensign, Olympia J. Snowe, Kay Bailey Hutchison, Don Nickles.

The PRESIDING OFFICER. Without objection, the mandatory quorum call under rule XXII is waived.

MORNING BUSINESS

Mr. MCCONNELL. I ask unanimous consent the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 5 minutes each.

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

STATEMENT FROM THE PRESIDENT PURSUANT TO WAR POWERS RESOLUTION

Mr. STEVENS. Mr. President, I ask unanimous consent that the attached statement from the President of the United States be entered into the RECORD today pursuant to the War Powers Resolution and P.L. 107-243 and P.L. 102-1, as amended.

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

THE WHITE HOUSE,
Washington, March 20, 2004.

Hon. TED STEVENS,
President pro tempore of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: In the interests of improving the efficiency of the reporting process and to increase the utility of reports to the Congress, consistent with the War Powers Resolution, I have decided to consolidate supplemental reports I provide to the Congress regarding the deployment of U.S. combat-equipped armed forces in a number of locations around the world. This consolidated report is part of my efforts to keep the Congress informed about such deployments and covers operations in support of the global war on terrorism (including in Afghanistan), Kosovo, Bosnia and Herzegovina, and Haiti. Operations in Iraq are a critical part of the war on terror, and it is my intention to continue to provide, consistent with the War Powers Resolution, information regarding the deployment of U.S. forces in Iraq in the reports to the Congress under Public Law 107-243 and Public Law 102-1, as amended.

THE GLOBAL WAR ON TERRORISM

Since September 24, 2001, I have reported, consistent with Public Law 107-40 and the War Powers Resolution, on the combat operations in Afghanistan against al-Qaida terrorists and their Taliban supporters, which began on October 7, 2001, and the deployment of various combat-equipped and combat-support forces to a number of locations in the Central, Pacific, and Southern Command areas of operation in support of those operations and of other operations in our global war on terrorism.

United States efforts in the campaign in Afghanistan continue to meet with success, but as I have stated in my previous reports, the U.S. war on terror will be lengthy. United States Armed Forces, with the assistance of numerous coalition partners, continue to conduct the U.S. campaign to eliminate the primary source of support to the