

We want to keep the Federal Government out of the senior citizen's medicine cabinet.

Let me go into detail why we have it this way. First of all, the accusation is this legislation prohibits negotiation with drug companies. We have learned from 40 years of Federal employee health benefit plan about plans negotiating with drug companies and other health care providers to bring down costs. It has worked very well. We have different plans seniors can join to decide what kind of service they want. Then the plans are going to negotiate the drugs down. It has worked before. It can work now. It will work now. In fact, this is the only thing in the bill the Congressional Budget Office said was going to bring down the costs of the program. If the Government did it directly, it was going to cost more. That is what the Congressional Budget Office said.

We are going to have negotiation with drug companies. This accusation could not be further from the truth. The truth is the Medicare prescription drug plans will be negotiating directly with drug makers. These negotiations are at the heart of the new Medicare drug benefit. The absurd claim the Government will not be negotiating with drug makers comes from the non-interference clause in the Medicare bill. This clause did not prohibit Medicare from negotiating with drug makers. It prohibits the Center for Medicare Services from interfering in those negotiations.

Let me be clear. The noninterference clause is at the heart of the bill's structure for delivering prescription drug coverage to seniors and disabled. This clause ensures those savings will result from market competition rather than through price fixing by the Center for Medicare Services bureaucracy.

This same noninterference clause was in the Daschle-Kennedy-Rockefeller bill and the Gephardt-Dingell-Stark bill in 2000. It is almost identical to the noninterference clause in the Gephardt-Dingell-Stark bill and the Medicare Modernization Act which was signed into law.

The Congressional Budget Office has concluded the market-based approach in the new Medicare bill will result in higher prescription drug costs management factor for Medicare than any other approach being considered last year by the Congress.

Here is what the Congressional Budget Office said about eliminating the noninterference clause in a letter earlier this year:

The Secretary would not be able to negotiate prices that further reduce federal spending to a significant degree.

The Congressional Budget Office said in the letter:

CBO estimates substantial savings will be obtained by private plans.

Let me be clear. Direct government negotiation is not the answer. We ran into that with the VA, the VA bureaucrats getting in the medicine cabinet

of the veterans of America. The Government does not negotiate drug prices. The Government sets prices. The bill's entire approach is to get seniors the best deal through vigorous market competition, not through price controls.

Even the Washington Post editorial page wrote on February 17:

Governments are notoriously bad at setting prices, and the U.S. government is notoriously bad at setting prices in the medical realm.

Price controls won't work, whether we are talking about all drugs or just so-called single-source drugs, as one of our colleagues from Oregon has proposed.

The Congressional Budget Office said such a proposal would "generate no savings or even increase Federal costs."

It would seem, then, the devil is in the details.

We did not rely on the Center for Medicare Services for price fixing but instead created a new drug benefit that relies on strong market competition and creates consumer choices. This approach has been analyzed by experts as getting the best deal for seniors on lower drug prices.

To sum up, it is an election year and plenty of people are using Medicare to play politics. The new Medicare law is a bipartisan proposal that resulted from years of work by both Republicans and Democrats. The new law creates a volunteer benefit that is targeted to low-income seniors and those with high drug costs. The new law lowers drug costs by speeding the delivery of new generic drugs to the marketplace, lowering costs to all Americans, not just those on Medicare. The new law also revitalizes the rural health care safety net with the biggest package of rural payment improvements in the history of the program. The AARP has made that clear when providing its strong endorsement that the Medicare bill "helps millions of older Americans and their families" and is "an important milestone in the Nation's commitment to strengthen and expand health security for its citizens. . . ."

I yield the floor.

JUMPSTART OUR BUSINESS STRENGTH (JOBS) ACT

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will resume consideration of S. 1637 which the clerk will report.

The assistant legislative 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:

Harkin amendment No. 2881, to amend the Fair Labor Standards Act of 1938 to clarify provisions relating to overtime pay.

McConnell motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith with the following amendment:

McConnell (for Frist) amendment No. 2886, in the nature of a substitute.

Grassley amendment No. 2898 (to the instructions (amendment No. 2886) of the motion to recommit (listed above)), relative to the effective date following enactment of the Act.

Grassley amendment No. 2899 (to amendment No. 2898), relative to the effective date following enactment of the Act.

The PRESIDING OFFICER. Under the previous order, the time until 11:30 a.m. shall be equally divided between the two leaders or their designees.

Mr. GRASSLEY. How much time do I have?

The PRESIDING OFFICER. Nineteen and a half minutes.

AMENDMENT NO. 2899, WITHDRAWN

Mr. GRASSLEY. Mr. President, as the first order of business, I withdraw the pending amendment No. 2899.

The PRESIDING OFFICER. The Senator has that right.

AMENDMENT NO. 2888 TO AMENDMENT NO. 2898

Mr. GRASSLEY. On behalf of Senator HUTCHISON, I call up amendment No. 2888.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mrs. HUTCHISON, for herself, Mr. FRIST, Ms. CANTWELL, and Mr. ALEXANDER, proposes an amendment numbered 2888 to amendment No. 2898.

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

Mr. REID. Reserving the right to object, Mr. President, will the distinguished Senator tell us the subject matter of the proposed amendment?

Mr. GRASSLEY. I ask the Senator from Texas to answer the question of the Senator from Nevada, if she would, please.

Mrs. HUTCHISON. Mr. President, I thank the chairman for allowing me to offer this amendment. It deals with sales tax equity for States.

Mr. REID. I withdraw my reservation of objection.

The amendment is as follows:

(Purpose: To allow a deduction for State and local sales taxes in lieu of State and local income taxes)

At the appropriate place, insert the following:

SEC. ____ DEDUCTION OF STATE AND LOCAL GENERAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.

(a) IN GENERAL.—Subsection (b) of section 164 (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

“(5) GENERAL SALES TAXES.—For purposes of subsection (a)—

“(A) ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.—

“(i) IN GENERAL.—At the election of the taxpayer for the taxable year, subsection (a) shall be applied—

“(I) without regard to the reference to State and local income taxes,

"(II) as if State and local general sales taxes were referred to in a paragraph thereof, and

"(III) without regard to the last sentence.

"(B) DEFINITION OF GENERAL SALES TAX.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

"(C) SPECIAL RULES FOR FOOD, ETC.—In the case of items of food, clothing, medical supplies, and motor vehicles—

"(i) the fact that the tax does not apply with respect to some or all of such items shall not be taken into account in determining whether the tax applies with respect to a broad range of classes of items, and

"(ii) the fact that the rate of tax applicable with respect to some or all of such items is lower than the general rate of tax shall not be taken into account in determining whether the tax is imposed at one rate.

"(D) ITEMS TAXED AT DIFFERENT RATES.—Except in the case of a lower rate of tax applicable with respect to an item described in subparagraph (C), no deduction shall be allowed under this paragraph for any general sales tax imposed with respect to an item at a rate other than the general rate of tax.

"(E) COMPENSATING USE TAXES.—A compensating use tax with respect to an item shall be treated as a general sales tax. For purposes of the preceding sentence, the term 'compensating use tax' means, with respect to any item, a tax which—

"(i) is imposed on the use, storage, or consumption of such item, and

"(ii) is complementary to a general sales tax, but only if a deduction is allowable under this paragraph with respect to items sold at retail in the taxing jurisdiction which are similar to such item.

"(F) SPECIAL RULE FOR MOTOR VEHICLES.—In the case of motor vehicles, if the rate of tax exceeds the general rate, such excess shall be disregarded and the general rate shall be treated as the rate of tax.

"(G) SEPARATELY STATED GENERAL SALES TAXES.—If the amount of any general sales tax is separately stated, then, to the extent that the amount so stated is paid by the consumer (other than in connection with the consumer's trade or business) to the seller, such amount shall be treated as a tax imposed on, and paid by, such consumer.

"(H) AMOUNT OF DEDUCTION TO BE DETERMINED UNDER TABLES.—

"(i) IN GENERAL.—The amount of the deduction allowed under this paragraph shall be determined under tables prescribed by the Secretary.

"(ii) REQUIREMENTS FOR TABLES.—The tables prescribed under clause (i) shall reflect the provisions of this paragraph and shall be based on the average consumption by taxpayers on a State-by-State basis, as determined by the Secretary, taking into account filing status, number of dependents, adjusted gross income, and rates of State and local general sales taxation."

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

Mr. GRASSLEY. Mr. President, I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mrs. HUTCHISON. Mr. President, we have a huge inequity in the Tax Code today. There are seven States that have a sales tax but no income tax. The States that don't have an income tax generally have a higher sales tax. That is the case with my State of Texas and six other States.

Fifty-five million taxpayers who have only sales taxes for their State and a local major tax revenue base do not get to deduct from their Federal income taxes what they pay in local and State sales taxes. On the other hand, income tax State taxpayers do get that deduction. So if you have a high sales tax and that is the basis of your revenue for your State and local government, you are paying taxes on your taxes. This is not equitable. Fifty-five million taxpayers have this inequity.

My amendment would treat everyone the same. It would give you the opportunity to either deduct sales taxes or income taxes on your Federal income tax return. This discrepancy has a huge impact on my State of Texas. According to the Texas Comptroller, if taxpayers could deduct their sales taxes, more than \$700 million would be kept in Texans' pocketbooks. This could lead to 16,000 new jobs and add \$900 million in economic activity.

Many States are facing financial crises. Our State certainly is, and many other States are. What we want is not an advantage. What we want is equity.

I realize this bill is very important to end punitive tariffs the European Union has begun to impose on U.S. products. I do not want to impede this bill. It is so important for American manufacturers not to have this punitive tariff on our products going into European commerce. I am willing to work with the managers of the bill. I am willing to withdraw the amendment. But I am serving notice that we have had this inequity since 1986. Since 1986, seven States have had this discrimination. When there was a reform of taxation in 1986, they took away the deduction for sales taxes, and no one stood up and said there is an inequity in that there are seven States that have no income taxes and we are leaving the income tax deduction, but we are discriminating against States such as Florida, Tennessee, Texas, Washington, and Nevada.

We need to correct this inequity. I ask that the chairman withdraw the amendment at this time. I certainly support the underlying bill, but I am serving notice this inequity must be corrected soon.

I thank the Chair and yield the floor.
The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2888, WITHDRAWN

Mr. GRASSLEY. Mr. President, the Senator has asked to withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. FRIST. Mr. President, I thank my colleague from Texas, Senator HUTCHISON, for proposing an amendment to change the Federal Tax Code to permit those citizens that live in States without State income taxes to deduct State and local sales tax payments. The current law allows deductions from Federal income tax for State and local income and property

taxes, but not for local and State sales tax. That is unfair. Tennesseans should not be unfairly penalized at tax time simply because the State decided to have a sales tax, not an income tax.

Prior to 1986, individuals were permitted to deduct all State and local taxes on their Federal tax returns. But, when Congress enacted the 1986 Tax Reform Act, the deduction for State sales taxes was eliminated. My colleague introduced this amendment, which I cosponsored, because she and I both want to draw attention to this injustice. I also appeal to my colleagues' sense of fairness and ask that, in the future, my colleagues work with me to try to fix this problem.

Again, citizens should not be penalized simply because their State does not have an income tax. Tennesseans could save more than \$470 million on their Federal tax bills if they could deduct sales taxes. This retained income could provide an important economic stimulus to Tennessee. Changing the Code to permit deduction of sales tax is also consistent with the principle of fundamental fairness to all taxpayers. When deductibility for State sales taxes was eliminated in 1986, but deductibility for State income taxes was retained, it was a political compromise with no foundation in policy. It is long past time to rectify this fundamentally unfair and counter-productive result.

I thank my colleague from Texas for submitting her amendment and drawing attention to this fundamentally unfair provision of the Federal Tax Code. I look forward to working with her on this issue in the future.

AMENDMENT NO. 2926 TO AMENDMENT NO. 2898

Mr. GRASSLEY. Mr. President, I send a further amendment to the desk. This amendment is the same as what I previously had withdrawn.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2926 to amendment No. 2898.

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:

In the pending amendment strike "one day" and insert "two days."

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

I want to make very clear that the vote that is coming up, that we call cloture, is an effort to reach finality on this legislation. We won't be able to do it otherwise. So I think it is a very important vote, particularly considering the fact that Europe has put a 5-percent tariff on a lot of agricultural and manufacturing and timber products. We need to think in terms of a 5-percent tariff making a very uneven playing field for American manufacturing

and agriculture, if we are going to do business with Europe.

I hope each person in the Senate will think of the products they might export to Europe, the extent to which those products now have, already, a 5-percent tariff. Then there is going to be a 1-percent tariff added each succeeding month, up to 17 percent. Think in terms of our inability to export to Europe those products.

I have in front of me several pages of items that they have already legally put these tariffs on because we lost the World Trade Organization decision. And pretty soon, when you keep getting a percent added every month, there is going to be a lot of layoffs in these industries because they can't compete.

I already met with a group at 9 o'clock this morning that told me with the 5-percent tariff on their products, they are unable to make sales in Europe. That happened to come from the timber and paper industry. I can say that.

This legislation, if we pass it, will not only take care of the problem of the tariffs being put on, they will go away when we pass this legislation. So there is no more sanctions, no more penalizing tariffs against American products. Not only that, but we are going to reduce the taxation of manufacturing that is done in the United States by American workers. We are going to reduce the corporate tax on manufacturing here. American corporations that manufacture overseas will not get the benefit from it. Foreign corporations that come to America to set up plants hiring American workers will get the benefit of the lower rate of taxation. So this is tilted very much toward the preservation of jobs.

I remind people on the other side of the aisle who have been legitimately wondering when jobs are going to start being created in a very healthy economic climate of 5-percent growth and only .5- and .6-percent unemployment, we are all concerned about that—very healthy recovery, but particularly in manufacturing, not jobs being created the way they would normally happen. This is the opportunity for any Members of the Senate who are concerned about that to help us get cloture and pass this bill so we preserve jobs in manufacturing and we create jobs in manufacturing by emphasizing made in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I yield myself such time as I might consume.

I oppose cloture at this point, and let me explain why. This is an important bill—a bill that would help to create and keep good manufacturing jobs in America. We need to move on this bill.

Senator HARKIN has offered an amendment about the quality of jobs in America and he deserves to get a vote. On a major bill like this, Senators deserve a full and fair opportunity to

offer and get votes on amendments. We should allow that process to continue.

The effect of the cloture motion is simple: It would block a vote on the Harkin amendment—at least for now. I do not believe the Senate should prevent such a vote. For one thing, blocking a vote on the Harkin amendment would be only a temporary measure. The Senator from Iowa has made it abundantly clear that he will be back. The majority cannot avoid this vote forever. When something will happen sooner or later, sometimes the better course of action is to address it straight on, not sweep it under the rug.

So I will oppose cloture and vote against cloture to allow the Senate to get to a vote on the Harkin amendment. If, as I expect, the Senate fails to invoke cloture, I urge the majority leader to stay on the bill. If the Senate fails to invoke cloture, I will work with other Senators to reach an agreement limiting amendments to a reasonable number. I believe, for example, that Senator HARKIN is amenable to a short time agreement himself. We have been in discussions with a number of Senators attempting to schedule consideration of their amendments. Many Senators would be willing to enter into very reasonable time agreements.

For example, Senators DORGAN and MIKULSKI have an amendment on run-away plants; Senators BREAUX and FEINSTEIN have an amendment to modify the repatriation agreement; Senator KENNEDY has an amendment to strike an international provision and use the money to expand the manufacturing deduction; Senator HOLLINGS has an amendment on the international provisions. I believe each of these Senators would enter into workable time agreements. We will have other amendments than these, but not many.

The number of amendments to this bill is not vast. We have accommodated many Senators in the managers' substitute. If the Senate can work through the Harkin overtime amendment, we could handle the remaining amendments expeditiously.

I urge the majority leader to join in pursuing that course I have outlined and working with us to bring this bill to completion by the end of the week. Once again, it is important that we do so. We need to respond to the European Union's sanctions. And we need to do what we can to help create and keep jobs in America. We need to pass this bill.

Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum and ask unanimous consent that the time be charged equally against both sides.

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

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 yield myself such time as I may consume.

There are over 500 products on this list. There are 500 products on this list on which we know there are sanctions and tariffs from Europe, which will make our products uncompetitive. I thought I would list a few of these and the States these products come from so Senators will know they are voting against jobs in their own States by this process of European sanctions:

Precious stones and metals would be affected in New York, New Jersey, Utah; nuclear reactors and boilers, California, Texas, Ohio, Michigan; toys, games, and sports equipment, California, New York, and Wisconsin; electric machinery, California, Massachusetts, Texas; wood products, Minnesota, California, Georgia, Pennsylvania; wood industry residues and animal feed, Louisiana, Florida, Illinois; aluminum, New York, Ohio, Georgia, California; iron and steel, Pennsylvania, Ohio, California; glass and glassware, Ohio, Pennsylvania, New Jersey; leather art, saddlery, handbags, California, New York, Texas; tools, New York, Ohio, Pennsylvania; paper, paperboard, and articles, Georgia, South Carolina, Massachusetts; articles of iron and steel, California, Illinois, Pennsylvania; apparel that is not knit, California, New York, New Jersey; meat and edible meat, Texas, Florida, Illinois, Minnesota; copper, Illinois, Pennsylvania, California; animal or vegetable fats, New York, Texas, California, Louisiana; edible vegetables, California, Washington, Oregon; apparel, knit or crochet, California, New York, North Carolina; oilseeds and grain, California, New York, Oregon; textile art and needlecraft, New York, Illinois, and California; ceramic products, California, Pennsylvania, Illinois; footwear, gaiters, California, Massachusetts, New York; carpets, Georgia, New York, South Carolina; cereal, flour, starch, or milk, California, New York, Illinois; soap, waxes, polish, candles, Ohio, Massachusetts, California; edible fruit and nuts, California, Florida, Washington; products of animal origin, New York, California, Pennsylvania.

We can go on and on because there are more that I could give. For one, I hope that every Senator realizes this 5-percent tariff is going to go up 1 percent a month for the next 12 months, adding up to a 17-percent tariff. The extent to which these products are hurt by that 5-percent tariff each month we wait to get this legislation passed, it is going to place more of a burden on American industry, lose more American jobs, and lose an opportunity to create jobs, which this legislation does.

I also remind some Members that have asked us to put provisions in this bill, if they vote against cloture, they are voting against these provisions. There is a new homestead provision for

rural development providing special assistance for businesses in counties losing population. There is a provision that allows payment under the National Health Service Corps loan repayment program to exempt that payment from taxation.

We have provisions in this bill to clean up brownfields.

We have provisions in this bill for mortgage revenue bonds.

There are 70 Senate cosponsors of this bill.

We allow deductions for private mortgage insurance for people struggling to afford a new home.

We have extended and enhanced the Liberty Zone bonds for the rebuilding of New York City.

We also included \$100 million in tax credits to be used on rail infrastructure projects within the New York Liberty Zone.

We have bonds for rebuilding school infrastructure.

We have some provisions in this bill for Native Americans.

These are provisions Members have asked us to accommodate them on in this legislation. Is it worth killing off these important priorities by voting against cloture, not letting us get to finality, not letting us make American industry more competitive, which obviously is going to create jobs, about which we heard so much concern on the part of Members of this body, that we have a healthy recovery of 5-percent growth, only 5.6-percent unemployment, which, historically, is very low unemployment, but still not enough jobs being created?

The situation is going to get worse if we do not pass this legislation.

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

I withhold that request. I yield 5 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator has 3 minutes 20 seconds remaining.

Mr. GRASSLEY. OK. I yield it all to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for the remaining time.

Mr. MCCONNELL. Mr. President, I thank my friend from Iowa for yielding what time he has remaining.

Rarely does the Senate have a simple decision on whether to create jobs or destroy jobs. That is a decision we are going to make shortly. Today we have that clear choice. We can create jobs or we can destroy jobs. We can destroy jobs by letting a 17-percent tariff on American businesses kick in, as has already begun, at 5 percent on March 4, or we can create jobs by stopping that tariff and instead giving manufacturing business a tax deduction of 9 percent from U.S. income taxes. We can, as I said, destroy jobs or we can create jobs.

It has been over 2 years since the WTO ruled the FSC/ETI tax break was illegal. It has been a year and a half

since WTO decided \$4 billion of EU tariffs could be charged against U.S. exporters. It has been almost 1 year since final approval was granted by the WTO to impose these tariffs. And now it is almost a month since the 5-percent tariff was imposed. Next month that rises to 6 percent and another percent each month until it gets up to 17 percent next March.

We have known for years we need to protect manufacturing businesses. That is what this bill is about—protecting manufacturing businesses. We have known for months the sword of Damocles was about to fall, and now it has fallen and we are still talking.

No one can claim to be surprised about our need to act. Over 6 weeks ago, we were told this by our minority leader. Six weeks ago, our good friend from South Dakota said we need to act. He said 6 weeks ago this legislation was urgent. He said 6 weeks ago we need to begin addressing the American manufacturing crisis. That was the Democratic leader of the Senate.

I could not agree more. He was exactly right 6 weeks ago, and he is exactly right today. It is time to pass this bill if we are concerned about manufacturing jobs in the United States. But here we are, 6 weeks later, and the EU has begun taxing, but we have not stopped talking. They have begun taxing, and we have not stopped talking.

This is a jobs bill we have before us. It is a manufacturing jobs bill. This is a manufacturing jobs bill reported out of the Finance Committee by a bipartisan vote of 19 to 2. Usually when a bill comes out of a committee with that kind of bipartisan support, we take it up and we pass it in short order.

The way to do that is to invoke cloture in a few moments. We have this 19-to-2 committee vote—Republicans for it, Democrats for it—tariffs kicking in, and jobs being lost as a result of our failure to act. It is time to act, and we ought to act now.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MCCAIN. Mr. President, reluctantly, I will vote for cloture on the motion to recommit S. 1637 to the Finance Committee. I support the underlying bill because I fully appreciate the need to resolve the controversy between the United States and the European Union over the extraterritorial income—ETI—exemption tax benefit for exports. As my colleagues know, the World Trade Organization—WTO—has ruled that ETI is essentially an export subsidy and is prohibited under international trade agreements. Subsequently, on March 1, the EU began to impose retaliatory tariffs on imports from United States manufacturers. Therefore, it is critical that we pass this legislation to bring the United States back into compliance with WTO agreements and stop the burdensome tariffs now imposed on our manufacturers.

It is unfortunate that this important bill is becoming a vehicle for wasteful

spending and tax breaks for special interests and the super rich. With the Nation facing a half-trillion dollar deficit, now is not the time for Congress to be enacting new tax credits. The proponents of this bill are fond of pointing out that it is "revenue neutral" and that all of the tax cuts in the bill are paid for with offsets. I firmly believe that, due to our current fiscal crisis, any proposed offsets should simply be used to reduce the deficit. It is incomprehensible to me, at this time of record deficits and debt, that we would consider risking the future of our manufacturing base and our standing in the international community by wasting time and jeopardizing corrective action while carving out sweet deals for special interests.

Let me outline just a few of the most egregious provisions contained in the proposal before us today:

The bill includes an extension of the tax credit for the creation of electricity from "renewable resources." This provision would extend for a year the tax credit for facilities that produce electricity from wind, poultry waste or closed-loop biomass. While I know wind is the favored renewable technology and various tax credits have made it competitive with conventional energy production in some locations, renewable solar technology has greater potential in my State and does not receive this favored tax status to make it more affordable. Turning poultry waste into electricity may be an efficient way to generate electricity at particular facilities, but again, with our fiscal future so bleak, I cannot understand the urgency in extending such a questionable tax credit at the expense of the American taxpayers.

Another provision would allow for a "bonus depreciation" of an additional 50 percent for noncommercial aircraft in the first year of ownership. In order to qualify for this incentive, the aircraft must be purchased and placed in service before January 1, 2005. I assure my colleagues—we will see many of America's wealthiest citizens running off to buy new private airplanes—while the American taxpayer effectively foots half the bill.

Included in the manager's amendment to this bill is \$1 billion in tax credits for railroads—a 4-year \$500 million subsidy for shortline and regional railroads, and a 3-year, \$500 million subsidy for intercity passenger rail service.

The proposed tax credit for small freight railroads makes all maintenance eligible for a tax credit, whether or not the maintenance is a capital project under generally accepted accounting principles. It is totally inappropriate to provide a tax credit for routine maintenance items like snow removal and routine equipment servicing, which do nothing to enhance the value or life of railroad assets. Nor does it make sense to provide a tax credit for maintenance that the railroads will perform anyway, without

the tax credit. The purpose of a tax credit is to provide an incentive to perform capital projects that a company would not otherwise undertake.

Further, the shortlines intend to sell tax credits they cannot use to their shippers and suppliers. There is no requirement, however, that the shortlines use the proceeds to fund additional capital investments. The proceeds from selling tax credits could be used for anything—profit-sharing for the owners, a vacation to the Bahamas, or even to fund lobbyists on Capitol Hill.

The Department of the Treasury, in preliminary, informal comments on this proposal, has indicated that the tax credit for intercity passenger rail projects would be quote "problematic". Business credits are typically in the 10- to 20-percent range, far less than the 50 percent credit proposed by the substitute. Treasury also commented that:

It provides for a national cap and allocation among states but has no provision for allocation within states. Also, it is transferable and we generally oppose transferable tax benefits because they are difficult to administer.

This proposal also is another scheme to provide money to expand intercity passenger rail service without dealing with the failure of Amtrak. I oppose providing any funding above the President's request of \$900 million for fiscal year 2005 without Amtrak reform and restructuring. The American taxpayers have invested nearly \$27 billion in Amtrak over the past 34 years, yet Amtrak still carries less than 1 percent of intercity travelers. Every 2 days, our transit system carries as many passengers as Amtrak handles in a year. How can my colleagues seriously consider expanding Amtrak, when it carries so few passengers and still manages to lose over \$1 billion annually?

Additionally, Section 646 of this bill would amend the Internal Revenue Code to permit a taxpayer who owns and operates a shipyard to elect to use the completed contract accounting method with respect to a qualified construction contract. This means that large shipyards, owned by even larger defense contractors, would be allowed to defer paying taxes on U.S. Navy ship construction contracts until the ship is completed. In some cases this could be as long as 7 years. This benefit results in these contractors getting an interest-free loan from the American taxpayer. These shipyards should pay taxes on an annual basis on income earned that year.

Some of the more interesting—and indefensible—proposals in the managers' amendment include capital gains relief for horse owners, special tax breaks for car dealers and favorable treatment of track facilities.

Again, I will vote for cloture because passage of this legislation is imperative, not only to our reputation in the world community, but also to the continued health of the American manufacturing industry and to the creation

of desperately-needed new jobs. However, I continue to be amazed about this body's lack of fiscal discipline. We are setting ourselves up for a very rude awakening. We simply cannot continue this endless wasteful spending spree while carving out tax breaks and good deals for the special interests. It's about time we realize that our actions have consequences. Unfortunately, it will most likely be our children and our grandchildren who will have to deal with those consequences.

Mr. GRASSLEY. Mr. President, earlier today in my floor speech concerning the products on the European Union sanction list, I offered to put this sanction list in the CONGRESSIONAL RECORD. However, the complete list is over 300 pages and would be too costly to reproduce fully. Nevertheless, the complete list and description can be found on the Senate Finance Committee's website, at www.finance.senate.gov.

Mr. DASCHLE. Mr. President, I will use a couple of minutes we have allocated to our side simply to say I agree with the last statement made by the distinguished Senator from Kentucky: The time to act is now. He and I may be talking about two different things.

I share with him the view we ought to act on this legislation, but I also believe strongly now is the time to act with regard to the Labor Department regulations. If we do not act, 8 million people, including police officers, firefighters, service providers in a lot of different ways will lose their overtime.

I do not know how we can sit here and accept that fact. Why some on the other side of the aisle would put the loss of overtime ahead of this legislation is something I do not understand. But I must say, there is no more important protection we can make than to allow the opportunity for the Senate, once again, to do what it did on an overwhelmingly bipartisan basis just last year. The Senate said unequivocally we want to repeal the overtime regulations; we do not think they are fair. Telling 8 million Americans they are going to lose their overtime is not right.

All we are suggesting today is to give us a vote because in the dark of night, even though both Houses have acted and spoken out, that legislation was taken out of the conference report. We have to go back and repair what was done last year. That is all we are asking. We are asking for one vote, no time.

Don't tell me we cannot act on that now. That is what this cloture vote is all about. I am hopeful on a bipartisan basis we can defeat cloture, get the vote on the amendment, and move this legislation through in time to do both things: provide the protection for overtime and pass this legislation as we know we should.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield the remainder of our time to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the Senator from Montana for giving me this time. I thank the leader for his comments and those who have fought so valiantly on behalf of American workers and their jobs.

A Senator on the other side said this is about creating jobs or losing jobs. That is what overtime is about. It is about creating jobs or losing jobs, and it does not take a genius to figure it out. Common sense dictates if an employer can work you longer hours per week and not have to pay you overtime, that is exactly what they will do, and they will not hire new workers.

In fact, when the Fair Labor Standards Act was passed in 1938, establishing the 40-hour workweek, President Roosevelt said at the time this was for creating jobs so people would not be working 50, 60 hours a week; they would be working 40 hours a week and spending more time with their families, and we would create more jobs. That is exactly what happened.

I agree with the Senator on the other side when he said this bill is about creating jobs and losing jobs and, yes, that is exactly what this amendment on overtime is about—creating jobs or losing jobs.

Last evening, the majority leader complained about extraneous amendments blocking progress on the bill. I don't know, but I assume he may have been talking about my amendment on overtime. He did not say so directly. But how can any Senator stand here on the floor and say with a straight face an amendment aimed at protecting overtime pay for millions of American workers is extraneous to a jobs bill?

Then I heard someone else on the other side say something about we have to have cloture. That is the vote coming up in about 10 minutes. We have to have cloture so we do not have these nongermane amendments on this bill.

The chairman of the committee and others have already added a whole package of nongermane amendments. So I guess what they are saying is we want to add our nongermane amendments but they do not want us to even attempt to add any of our nongermane amendments. It is sort of, my way or the highway. Well, that is not what this Senate floor is about. The Senate floor ought to be about open debate, discussion, and voting on important issues that matter to our constituents.

Right now there is nothing more important in front of the Senate than the issue of overtime. There is a lot of good in this FSC bill, much of which I will support. I would like to see the bill get through. But this bill, without a protection for American workers to protect their overtime, is not a bill worthy of passing, nor is it worthy of being called a jobs bill.

People say we are slowing this down somehow, that we are making it impossible to pass this bill. I have been on this floor day after day saying I will agree to a time limit. I say to my friend and colleague from Iowa, if he wants a time limit, we will have a time limit and then we will have an up-or-down vote. Plus, there are other amendments people want to offer. That is, again, why the other side wants cloture. They have their package of non-germane amendments but they do not want to offer any.

I do not know if they will win but at least we ought to have the right to offer them and to have a vote on them. All we are asking for is fairness and openness on the Senate floor. I know that may sound kind of odd to people but all we are asking is just the right to offer an amendment, have it debated within a reasonable amount of time, and have a vote. I do not think that sounds too un-American to me.

Yet the other side, the Republican side, is saying they do not want to vote on my overtime amendment. They are going to go through all of these parliamentary maneuvers. But we will vote on this amendment. All of this parliamentary maneuvering that we are going through right now on the motion to recommit and filing cloture just puts off the inevitable. If the other side was really interested in getting this bill through, we could have had a vote on my amendment 2 days—well, at least yesterday, and been halfway through the bill, probably have the bill done today or tomorrow. So it is not our side that is slowing this bill down at all.

As I have said before, our friends in the majority leadership have tried to stymie and stop a vote on overtime. We voted on it last summer, with a strong bipartisan vote, to say no to the proposed regulations of this administration to take away overtime rights of people. The House of Representatives followed suit, but in conference the administration came in and got it taken out.

The American people spoke, and I can say with no uncertainty that the vast majority of American people want their overtime pay protected. In fact, a poll taken last fall, when this question was put to a representative sample of the American people, overwhelmingly showed they wanted their overtime pay protected. This goes back to a kind of taking of the right of people to earn a fair wage, a fair salary.

This is from the Wall Street Journal, and this says it all:

While employees like overtime pay, a lot of employers do not.

That is not surprising.

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.

Think about that. Because the rules are not being enforced, American work-

ers are being cheated out of \$19 billion a year in income. What has happened is employers in various parts of the country are trying to go around these rules and some of them have gotten caught redhanded.

We had a case on the west coast where people were clocking out and then coming back to work, working overtime but it was not showing up on the pay stubs. That case went to court and the jury found the company guilty. So what did the companies do? They said, well, if we are getting caught and hauled into court, we better get the rules changed.

Last year, the administration proposed the most fundamental sweeping changes ever in the Fair Labor Standards Act that would deny the right of up to 8 million Americans to get overtime pay. So now they can go ahead and work them longer than 40 hours a week and they will not have to be worried about being taken to court. That is the core of what we are talking about.

Quite frankly, there was a case in Oregon where a Federal jury, on December 19, found Wal-Mart Stores, Inc., guilty of off-the-clock violations of the Fair Labor Standards Act. It was Wal-Mart—people checking out, coming back to work and not getting paid overtime. That is not fair. It is not right to the American worker, and that is why the American people, by an overwhelming margin, want us to vote on this amendment.

Here was the poll taken last fall. The question was:

There is now a proposal to change the Federal law that determines which employees have the legal right to overtime pay. This proposal would eliminate the right to overtime pay for several million employees who now have that right. Do you favor or oppose this proposal?

I am sure it comes as no surprise; overwhelmingly 74 percent said they opposed it, while 14 percent said they would favor it.

This goes to the gut of what we are talking about for the American worker in this country. We are already shipping jobs overseas. There is a small provision in this bill before us, subpart F—I will not get into all of that—that will actually make it easier for companies to ship jobs overseas. Now we are telling our American workers they have to work longer and not get any pay for it.

Already American workers are working longer hours than anyone else in the industrialized world and now we are asking them to work even longer.

The motion before us is a cloture motion. I say to my fellow Senators, defeat the cloture motion, because if the cloture motion is invoked, we will be prohibited from offering our amendment on overtime. That is not fair. That is not right.

Two weeks ago we had a unanimous consent agreement on the Senate floor that I would be allowed to offer this amendment. They knew that. But after

a week's break, we came back and they decided to go through all of this parliamentary maneuvering to prevent me from offering my amendment and to prevent us from having a vote on it.

I ask my fellow Senators to think of their constituents, think of that man and woman out there who have a family, they want to be with their kids in the evenings or on the weekend, and they are being asked to work overtime. As one woman, who I quoted yesterday, said: My time with my family is premium time. My time at home is premium time. If I am asked to give up my premium time with my family, I ought to get premium time, which is time and a half over 40.

So when my colleagues think about voting on this cloture motion, do not think about the President of the United States, do not think about whether we can go against the administration. I do not see it in those terms. I only see it in the terms protecting the legitimate right of our American workers to get time and a half when they work over 40 hours a week. That is what this is all about, make no mistake.

I am hopeful when Senators come to vote that we will have a resounding "no" vote on the cloture motion. Then maybe we can get to this amendment and we can have a time agreement. We have already talked about it enough. We could have half an hour for closing arguments and then vote up or down on this overtime amendment.

I think the other side may be afraid it might pass. Well, it passed last year. I think it would probably pass big time now because more and more American people are aware of what the administration is trying to do to take away their overtime.

I think we have had our say. The American people are going to watch. People in the United States are working longer hours than their counterparts in any other country. They are working longer hours now than ever and they are now being told, well, guess what, we are going to work you longer but we are not going to pay you any more.

Last, the people who will be hurt the most will be women. Annual hours worked by middle-income wives with children went from 895 in 1979 to 1,388 in 2000. Women with these kinds of jobs are the ones who will be hit first because they have the type of clerical jobs that will be reclassified. They are the very people who are being asked to give up their premium time with their kids and their families—their second jobs at home. As one woman said: I have a second job, at home.

They will not be paid overtime. That is grossly unfair.

I ask for a resounding "no" vote on the cloture motion.

Mr. GRASSLEY. Mr. President, I wish to correct the record with respect to some comments made by my friend and colleague, Senator HARKIN.

Senator HARKIN said that the managers' package was non-germane

amendments. All of the amendments were tax relief measures that were requested by Members on both sides of the aisle.

The bill before us is a tax relief bill. It deals with a tax incentive designed to help our exporters. This bill deals with tax relief for domestic manufacturers and international tax reform.

The sum and substance of this bill is about tax relief. The managers' package is about bipartisan tax relief. It is germane to this bill.

The amendment of my friend from Iowa is a labor law matter. It is not in the jurisdiction of the Finance Committee.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader.

Mr. FRIST. Mr. President, I know we will be starting to vote shortly, but I did want to make a few comments on behalf of myself and leadership because today we do have a chance to help U.S. manufacturers. The legislation was developed in an admirable, bipartisan way, with the two managers participating equally. Chairman GRASSLEY and Ranking Member BAUCUS have worked very closely to develop this bill. I spent time with both of them yesterday, and the leadership on the other side of the aisle. We are working very hard. I would have liked not to have to have this cloture vote today, but it is clear it is the only way to get people moving along in a direction so we can work toward completion.

This bill came out of the Finance Committee 19 to 2. It was cosponsored by the distinguished minority leader. It is a good bill. Every day we delay action has implications. European tariffs have already been imposed. In truth, these European tariffs are a European tax on U.S. manufacturers. The Europeans could be imposing right now a full \$4 billion in sanctions that they have approved. So far they have not done so. They have chosen to begin with a 5-percent tariff which increases 1 percent each month. They have acted with restraint because they believed we would act quickly and that we would act responsibly. I believe this vote, indeed, will be a test of that faith.

As has been discussed, we compete in a global economy. Some have suggested that we close our borders to the world. Some think we can retreat into economic isolationism. But we can't. We all, deep inside, know that. We should not. It would be a declaration of defeat. We are the most innovative society in the world. Our workers lead in productivity. We lead the world. If we are allowed to compete on a fair playing field, U.S. manufacturers will, indeed, lead the world.

I think back to my home State of Tennessee. We compete well in the world economy. Exports increased 26 percent since 1997. Those exports support 232,000 jobs in Tennessee, and that is about 10 percent of the Tennessee workforce.

We all know—again, this has been discussed over the last several days—

U.S. manufacturers are increasingly burdened by unnecessary costs. A study by the National Association of Manufacturers on the effect of rising costs to the United States found that the costs imposed by Government have done the most damage to our U.S. manufacturing base. That study concluded that, while U.S. manufacturers have many challenges in today's global business environment, domestically imposed Government costs are damaging U.S. manufacturers and harming workers more than any foreign competitor.

So now, when we can least afford it, we have this new Euro tax on U.S. manufacturers. Survey after survey of U.S. businesses confirms the same thing: The incentive to move jobs overseas is the direct result of the escalating cost of doing business right here at home. If we want to reverse the trend toward outsourcing, we have to address the issues that are motivating American companies to go offshore.

Like all of my other colleagues, I know this is an election year. Like everyone else in this Chamber and most within the sound of my voice, I know in an election year there is this temptation to view everything through a political lens. There is a time and a place for politics. This is simply not that time and not that place. I urge my colleagues to come together and to do the right thing for American manufacturers, for American jobs, and for the American spirit. Every one of us should vote for cloture and be proud of that vote to repeal this Euro tax. We must move forward quickly on this critical legislation. We cannot afford to wait and risk having the world pass us by.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture on the pending motion to Calendar No. 381, S. 1637.

The 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. By unanimous consent the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to recommit S. 1637, Jumpstart Our Business Strength (JOBS) Act, shall be brought to a close.

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. ED-

WARDS) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote "nay".

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

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—51

Alexander	DeWine	McConnell
Allard	Dole	Miller
Allen	Domenici	Murkowski
Bennett	Ensign	Nickles
Bond	Enzi	Roberts
Brownback	Fitzgerald	Santorum
Bunning	Graham (SC)	Sessions
Burns	Grassley	Shelby
Campbell	Gregg	Smith
Chafee	Hagel	Snowe
Chambliss	Hatch	Specter
Cochran	Hutchison	Stevens
Coleman	Inhofe	Sununu
Collins	Kyl	Talent
Cornyn	Lott	Thomas
Craig	Lugar	Voinovich
Crapo	McCaIn	Warner

NAYS—47

Akaka	Dorgan	Levin
Baucus	Durbin	Lieberman
Bayh	Feingold	Lincoln
Biden	Feinstein	Mikulski
Bingaman	Frist	Murray
Boxer	Graham (FL)	Nelson (FL)
Breaux	Harkin	Nelson (NE)
Byrd	Hollings	Pryor
Cantwell	Inouye	Reed
Carper	Jeffords	Reid
Clinton	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
Corzine	Kohl	Schumer
Daschle	Landrieu	Stabenow
Dayton	Lautenberg	Wyden
Dodd	Leahy	

NOT VOTING—2

Edwards Kerry

The PRESIDING OFFICER. On this vote, the yeas are 51, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. FRIST. Madam President, I enter a motion to reconsider the vote by which cloture was not invoked.

The PRESIDING OFFICER. The motion is entered.

Mr. FRIST. Madam President, I will have more to say later, but I do want to express my disappointment by the vote today, especially the actions of my colleagues on the other side of the aisle. This legislation is essential if we are to accelerate the rate of job creation. The JOBS bill will bring our trade and tax laws into compliance with our trade agreements. It will also provide badly needed reforms to further stimulate manufacturing growth.

As I mentioned prior to the vote, the bill was developed in a strong bipartisan fashion under the superb leadership of Chairman GRASSLEY and Senator BAUCUS. It was voted out of the Finance Committee 19 to 2. Every single Democrat on the committee voted in favor of the bill. That is why I am very concerned that the Democrats have now decided to filibuster yet another bill for what may be election

year partisan purposes. It is a terrible mistake and one that will have a detrimental impact on the recovery of U.S. manufacturing jobs. Every day we delay action on this bill is another day American jobs are at risk, and every day of delay is inexcusable.

As I mentioned, the European tariffs have already been imposed. The tariffs, in effect, are a European tax on U.S. manufacturers. By voting against cloture, our Democratic colleagues have voted, in effect, in support of the Euro tax on U.S. manufacturing. I had hoped our colleagues on the other side of the aisle would have been able to find the wherewithal to do the right thing. The Senate would pass this legislation by a wide margin if we could get through this election year posturing.

I look forward to working with the leadership on this particular bill to see exactly where we should go from here and plan on doing that over the next couple of hours as we go forward.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, we agree with the majority leader that this is an important piece of legislation. Cloture was not invoked on it. It came out of committee in a bipartisan fashion. However, the Senate has been this way for more than 200 years. People have the right to offer amendments.

There was an extremely important amendment dealing with overtime. Senator HARKIN agreed to take 15 minutes and vote on it. If there is anything to be said about bringing down the bill, it is not us. We want the bill to pass. We also want a vote to recognize the plight of 8 million Americans, men and women who are in the process of being denied overtime, something they have had for more than a half century.

So we can give all the speeches we want about political posturing. The fact is, the majority didn't want to vote on overtime. We voted on it before; the amendment carried then. The House instructed its conferees that they wanted the Senate's position. So it is a simple matter where we have now wasted 2 days, and this is the third day. We could have been covering the few amendments Senator BAUCUS has lined up. He has pared it down from 75 amendments to probably 10. On every one of those, there would be short time agreements.

This bill could be finished. I think it is a sad day for the country that we have not been able to move forward on this legislation.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Madam President, I reinforce the words of Senator REID. We want this bill passed. This is a jobs bill. This bill provides a tax break for the domestic manufacturing industry. An overwhelming majority of Senators on both sides support this bill.

Actually, this bill is being held up at this point because the other side of the aisle doesn't want to vote on the Har-

kin amendment. That amendment is a very simple amendment. It is to maintain a current overtime provision, which clearly is related to jobs in America. Senator HARKIN will agree to a time agreement.

At the same time, Senator GRASSLEY and I have worked with other Senators to bring the list down to a manageable number. I have talked to Senators during the vote and we have all agreed to time limitations on their amendments.

I call upon the majority to let us proceed with the bill, with a vote on the Harkin amendment, and let us proceed with votes on the legitimate amendments we have pared it down to, which is very manageable. We can proceed. That is what is happening.

Our side would like to continue to work on the bill and get votes on important amendments. I hope the other side agrees to let us vote on that amendment. I think we can get the bill passed this week. We can show the European Union we are taking action on the WTO ruling. Also, we can show the other body we are moving quickly. The other body is not moving as fast as I believe it should be.

For those reasons, I urge us to reach an agreement and let's get on with the usual way the Senate operates—with amendments we can deal with very expeditiously.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Madam President, I know the Senator from Wyoming wants to speak. I will not give a long speech at this point on the vote that just occurred. I wish to take a second to respond to the partisanship aspect of this debate. I cannot speak for anybody but this Senator.

It would be one thing if the overtime amendment were the only one that we had to deal with, but we have seen lists, I think, of up to maybe 10 nongermane amendments that may have been potentially part of this debate. So you can understand, there may be 10 legitimate issues that are nongermane to this debate which ought to be discussed on the Senate floor, as per the right of every Senator, as expressed by the Senator from Nevada; but they don't all have to be discussed on this very important bill before the Senate.

This is a very important bipartisan bill before the Senate. It is one thing to deal with an overtime amendment; it is quite another thing to deal with an environment in which the minority may be expecting us to deal with vast numbers of nongermane amendments. That is very difficult and it is that sort of environment which brings about a cloture vote.

As my friend from Montana has stated, I hope we do get this behind us. The germane amendments will take very little time and we can then move past this bill. This bill will pass overwhelmingly when we get it up for a vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Madam President, I was going to speak on something else related to the bill, but I feel compelled to speak a little bit about the cloture vote and the smokescreen that is being put up there.

We have American manufacturing businesses being penalized by the World Trade Organization, and the bill before us would eliminate that. It would solve the problem and would create jobs in America, not outsourced, and it would allow the companies to have the competitive possibility in other countries. We are not able to pass that bill.

So when people talk about jobs, they need to be clear that those who are putting up the smokescreen amendments are not really interested in increasing jobs. They would prefer that none of that happened until after November. I think the American people will see through that and they will see through all of the motions and amendments that will be done between now and November and all of the delays done between now and November.

The overtime bill is one of those smokescreens. What we are talking about is a rule that has been written and published for public comment. It is not in place; it is not finalized; it is not finished. It is for comment, and 80,000 people commented on it.

What this amendment does is stop them from looking at the public comments. That is not American. We want the public to be able to comment. We want the comments from the public on any rule we are writing. We want the Department to have to take a look at those comments, and then we want to see what they are going to do with the comments. That is when the rule becomes important.

I can tell you, any Department that has made substantial changes based on the comments, I have applauded the Department and I have asked them to republish it for more comments, because it is a different rule after it has been changed. I am certain I would be doing that on this one as well. But there is a process.

The reason the Department of Labor looked at the rule is because they were told they had to look at the rule. They were doing their job. They wrote a rule, published the rule. Everybody doesn't agree with the rule. I expect any rule that is done, everybody would not agree with it. If they did, it would probably have some pretty big flaws in it or be worthless. So there are going to be some comments and changes. We need to let those happen.

We will never have a rule that is clear so that small business can operate, so that they can understand what is going on. That rule was written so long ago that jobs mentioned in there don't even exist anymore. But they still have to evaluate the jobs and see if they match up with that kind of description, to see if it falls under overtime.

What it has turned into is a bonanza for lawyers who want to sue. Anytime

they think there is one of those little gray areas, they see dollar signs and they go after the business that has those gray areas.

You would also get the impression from the overtime discussion that no business pays overtime unless it is clearly required to pay. That is not the fact, either.

You would also get the impression that businesses force people to do this overtime all the time. I have a son in the housing business and this is a good time of year to sell houses. They give all kinds of incentives to try to get the houses finished up. There is not only overtime but bonuses, and people still don't want to do overtime. So there has been a lot of rhetoric on this, and I will go through that one point at a time. If we are going to actually get to that debate, I would be happy to do that.

But the reason this cloture vote was killed was so it would still stay a part of the debate. Now, why would it not be a part of the debate? Because it is not germane. We are not talking about overtime in this bill. The word "overtime" isn't mentioned in the bill at all. It is about penalties that our companies have to pay because of the World Trade Organization decision. We need to solve that problem and make sure America keeps working. Yes, we need to work on these other problems; yes, they ought to be brought up. But we should not do it at the expense of industry in America and then say, oh, you are outsourcing. We are forcing companies to go overseas and build things; we are forcing them to do that because we don't want to make a decision on this bill because we want to bring in peripheral items.

Yes, it sounds like just one peripheral item. No, it is not; it is ad infinitum. You can keep drafting these amendments until the final vote. We have to vote on all of them until the final vote. So it is a filibuster by amendment. If you can make an amendment that is as unpleasant as possible, politically, I guess that is good.

What I prefer we do is work on the 80 percent of the legislation that we agree on, get it done, and keep America working, which brings me to the main point I wanted to talk about because we keep talking about this loss of American jobs due to increasing globalization.

We have talked about the loss of American jobs because of increasing productivity. Yes, the workers in the United States are the best at what they do. I have heard a lot of talk about job loss, but our actions do not match up with our words.

I want to point out one very important program we have that helps American workers who want to improve their skills and get a better job, to make a better life for themselves and their families. It is called the Workforce Investment Act. That act has been around. This is a reauthorization

of the Workforce Investment Act, bringing it up to date so that it matches the job problems of the country at the present time.

This workforce investment legislation will help over 900,000 unemployed workers a year get back to work. We keep talking about workers, but we cannot get this important bill into conference. The other side of the aisle blocks appointing conferees so that Republicans and Democrats—House and Senate—can get it all together so we can come up with an agreement.

Should this be a tougher agreement? This bill passed the committee unanimously. It does not happen very often in the Health, Education, Labor, and Pensions Committee. It also passed the Senate unanimously. That means we thought it was good enough that we did not need to put a single amendment on it. We are talking about 900,000 jobs, and we cannot meet to work out the differences with the House when this legislation passes a unified Senate.

For generations, the skills and ingenuity of the American workforce have fueled the greatest economy in the world. Today our challenge is to equip our workforce with the skills needed for jobs in the new global economy. Our prosperity rests with our ability to create and fill the high-skilled jobs of the 21st century, filling those 21st century economy demands.

There is a growing skills gap in this country that threatens our ability to compete and succeed in a more complex, knowledge-based economy. Many high-skilled jobs in this country remain unfilled because employers cannot find qualified workers. According to the 2003 survey conducted by the Center for Workforce Preparation, which is an affiliate of the U.S. Chamber of Commerce, half of the employers reported difficulty in finding qualified workers. The gap between the demand for high-skilled workers and the supply will only widen in the future unless we do something about it.

Looking ahead 2 years, only 30 percent of the employers surveyed believed that the skills of their workforce will keep pace with the demand. The current workforce development system is not effectively equipping American workers with the skills American businesses need. We need to match them up. Only a systematic reform of our Nation's job training system will enable American workers and businesses to compete and succeed in this global economy.

Our job training and employment system created under the Workforce Investment Act is intended to prepare our workforce for the good jobs that the evolving economy demands.

We need to improve our job training and employment system created under the Workforce Investment Act to better prepare American workers for the good jobs of today and tomorrow.

We need to link workforce development with economic development, recognizing that job training and job creation go hand in hand.

We need to partner the public workforce system with private sector employers, including, especially, small businesses, and with training providers to prepare American workers for jobs in high-growth industries.

We must improve access to job training and employment services in all parts of the country.

There is good news. As I have mentioned, we have a bill that does all of that. It is called the Workforce Investment Act Amendments of 2003. It is a bipartisan bill that passed out of the Health, Education, Labor, and Pensions Committee unanimously. Check the record. See how often that happens. It passed unanimously last November. Unanimous is as bipartisan as you can get. It passed the Senate unanimously as well. Again, that is as bipartisan as you can get.

Where is that bill now? As I have mentioned—here is the bad news—we cannot appoint a conference committee; that is, a committee made up of Republicans and Democrats from the Senate and we would meet with the House and we would work out the differences. If we can work out the differences in the Health, Education, Labor, and Pensions Committee, and if we can work out the differences on the floor of the Senate, we certainly ought to be able to work them out between the Senate and the House. There is no reason not to have a conference committee except, in case you haven't noticed, we are not doing any conference committees. They said: We are not going to conference on anything, unless that side of the aisle gets to write the bill. It has never happened in the history of the United States. It is not going to happen now.

If we really want to take care of jobs in this country and make sure jobs stay in this country, we would appoint a conference committee for the Workforce Investment Act and enact this vital legislation.

How long do we want to wait to get those 900,000 people trained and into the workforce? Obviously, after the November elections. If we really want to keep high-paying jobs and American factories and American businesses on American shores, particularly in small businesses, we would appoint the conferees to that legislation reauthorizing and improving the Workforce Investment Act. We would modernize that legislation, get it on the road, and get people employed.

I think it is a crime that we cannot appoint a conference committee. American workers deserve a conference committee on workforce investment. They should be demanding it, and we should be doing it because it is doable.

I yield the floor.

THE PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank the Senator from Wyoming for his excellent comments as usual. He is a senior member of the Health, Education, Labor, and Pensions Committee. He is a small businessman and

has a talent, more than most people in this body, of understanding how this economy works and what we need to do to create more jobs.

I think the job situation has shown some real improvement. We were at 6.3-percent unemployment last June. It has dropped consistently, and we are now at 5.6-percent unemployment. The numbers show that is about the average rate of unemployment over the last 20 years.

Growth in the third quarter of last year was over 8 percent, the highest growth of GDP in 20 years, and the first time jobless claims have dropped to the lowest since 2001; that is, people who file for unemployment compensation. That is a good hard number that tells us something about the economy. Every day people who lose jobs in this volatile economy can claim their unemployment compensation. Those claims are dropping and continue to drop, and jobs have been added for the last 6 months, consecutively.

So this is some good news, but we are not satisfied. We would like to see record lows of unemployment. We would like to see the economy growing at such a rate that people will have choices among higher paying jobs, they can make more money, have an opportunity to work overtime if they choose, bank that money, make bonuses, and have good health care.

So what is it that is occurring? This jumpstart bill dealing with the FSC/ETI program that has us in a confrontation with Europe is not going to go away. I was confident everybody in this body understood the WTO ruling and how it could adversely affect jobs in America and that we need to pass some legislation to fix it and get on with life.

The committees worked on it, the House and the Senate worked on it, and they came up with this jumpstart bill and now we find it blocked. We cannot get it up for an up-or-down vote. It was blocked by filibuster, led by Senator DASCHLE, the Democratic leader. If they do not filibuster the bill, they filibuster going to conference, which also in effect kills legislation. So we have obstruction, obstruction, obstruction.

This is not good. We should do this bill. If we cannot agree on this bill, it is going to be part of the partisan obstruction agenda, then we really have to go to the American people and we need to talk to them about what is happening in their Senate. We need to ask the American people, when they are selecting Senators to come to this body—and they will be doing that soon—do they want Senators who are going to participate in obstructing needed legislation that is important for jobs? Maybe we are not at that point.

Maybe this Senate can get itself back together, but the trends are really disturbing to me. The trends indicate a concerted effort to block, through one method or another, important legislation that is good for this country.

There was a lot of effort on the asbestos legislation we passed out of the Judiciary Committee. Senator HATCH, the chairman of the committee, put his heart into it. It was a bipartisan vote to come out of committee. It is being blocked. As many as 60 asbestos companies are in bankruptcy or on the verge of bankruptcy. The unions at those companies are beginning to realize the litigation over asbestos is killing off our industry, which represents thousands and thousands of jobs. We need to move that to final passage, but it looks like it is going to be blocked, too, perhaps. I hope not.

Something is wrong in the American legal system when defendant companies are willing to pay out billions of dollars in benefits to people who have ingested asbestos and only 40 percent of what they pay out gets to the victims. Sixty percent of it goes to lawyers. Sixty percent of it is eaten up in court costs and expenses.

This bill would fix that. Most people could simply make a claim and get a check if they are entitled to it, just like that. People who are not sick do not get paid until they do get sick, if they do. They will be monitored, be given health monitoring and all that makes for a good and rational way to compensate people who may become ill from asbestos. As many as 60 companies could be in trouble that could actually go bankrupt.

Is this going to create jobs in America to allow that to occur? We reached an agreement that had bipartisan support in the Judiciary Committee that could make this happen. It will get more money to the people who are sick. They will not have to pay 60 percent of it in legal fees, and other costs will not come out of it. That is what we ought to be doing to create jobs.

A lot of these companies dealt with asbestos 20 years ago and have not dealt with it since. Yet their whole company is being put into bankruptcy because of it. It is one more example of what we need to do.

Class action suits are a part of our noncompetitiveness in the world. There are such high insurance costs so many of our companies are paying because of litigation. It is unprecedented. We have that in medical liability, which is driving up the costs of medicine in America.

We can do those things that do not cost the taxpayer a dime. We can create a fairer, more rational system of law in the country, reduce the costs of the American economy so more money can go to jobs.

I know the President deeply believed in and supported the production of oil and gas in ANWR. I have heard people complain recently they are upset that the price of gasoline has gone up. They have said, oh, they are so surprised and hurt, and it must be President Bush's fault.

For years in this body we have been debating the production of this huge amount of oil and gas from the ANWR

region of Alaska. It can be done scientifically. It can be done without damage to the environment. It can produce billions of dollars in oil and gas, keeping that money here. If I recall the numbers, it was 600,000 jobs that might be created by that pipeline and that production. That is what the unions who supported this told us, 600,000 jobs, keeping American money at home.

Who do we want to pay for oil and gas, the people in Alaska and keep it in the United States, or do we want to send the money to Saudi Arabia, Venezuela, or some other foreign country? We can do that. We are driving up the cost of energy as a result of unwise practices. In fact, I think the failure to drill in ANWR is one of the most absurd decisions this Congress has ever made. Frankly, we need to produce more natural gas off the coasts. If we do not, we are going to see a surge in natural gas prices that is also going to cost us jobs in the long run.

We can do that. We can do it safely, just as we are doing it safely today. Twenty percent of our electricity comes from nuclear power, yet we have had in this body, from Members on the left, a blocking of efforts to allow nuclear power to expand. Twenty-four hours a day, 7 days a week, nuclear power generates electricity with no carbon emissions into the environment, no pollution into the air. We ought to do that. France is going that way. Japan is going that way. We are sitting around shutting off natural gas production, attacking coal generation of power, not allowing production in ANWR and off our coasts.

We are doing all that and then we moan and groan when the economy has to sustain a higher cost for energy. I think it is not good. The American people need to ask, who is at fault here? Who is blocking this?

We are in an unprecedented period of obstruction, it seems to me. I have never seen anything like it. I thought we could at least pass this jumpstart bill to deal with our world trade problem. Surely we can agree on that. If we cannot agree on that, it indicates to me there is a systematic period of obstruction going on in this body, and it is not healthy for America. It is going to cost American jobs. It is irresponsible and wrong. We need to be strengthening this economy.

The economy is growing right now. A lot of good things are happening. For heaven's sake, why would we want to demonstrate to the financial community and to world investors the United States cannot get its act together on this trade problem? That would be a very bad signal.

We somehow have to come together on this. I hope we can respect majority leader BILL FRIST. I know he is working tirelessly to do what he can to get support for this legislation. It was 51 votes to 47, but that is not enough. A majority supports it, as they support so many other things in this body, but

if we do not get that 60 when a determined leadership on the other side obstructs the legislation, then we still cannot get it up for a final vote.

I am frustrated. I think a lot of us are. Hopefully something will happen. Maybe Senator DASCHLE will meet and talk with Senator FRIST and that can help us move beyond the blocking of this important legislation. I certainly hope so. I think the ball is in his court. We have a responsibility to the American people to pass this Jumpstart bill and get out of this fix with international trade rules that can hurt us. We need to do it. I hope that can happen but, frankly, from what we have been seeing, I don't think it is likely.

I appreciate the opportunity to share these remarks and I yield the floor.

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

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

Mr. LOTT. Madam President, I believe under the procedure we are in now I can speak on the pending legislation? There is no time limit?

The PRESIDING OFFICER. The Senator is correct.

Mr. LOTT. Madam President, I am very much concerned about the vote that just occurred in the Senate. We had a cloture vote so we could get beyond irrelevant amendments on this very important legislation. You could still have relevant amendments offered postcloture. We could still have debate and we could move to conclusion on this very important legislation. But we did not get the necessary 60 votes. This is a very irresponsible act by the U.S. Senate because we cannot afford to set this legislation aside and not get it completed.

Just for those who may have just tuned in, this is the Jumpstart Our Business Strength (JOBS) Act. It is very critical for two important reasons.

First, this is legislation we are going to have to pass in order to comply with the World Trade Organization rulings on the FSC/ETI benefit in a manner that preserves jobs and production activities. This is a tax activity. The World Trade Organization has ruled the U.S. policies, our laws, do not comply with the World Trade Organization's rules in areas of tax incentives or subsidies for our companies in this world trade area, and if we do not comply with them we are going to be hit with fines from the World Trade Organization, from the European Union. It is going to go up 1 percent a month until—I think these duties could reach as much as 17 percent.

This is a very negative impact. It is a case where we have said to the World Trade Organization, Give us fair rulings. Yet when there is a ruling against

us and we are given not weeks but months—years to comply with the WTO ruling and have not done so, now we are faced with these penalties against our products all over the country. These are critical products we need to export into this world market. In order to avoid that, we have to pass this legislation. I don't think any Senator wants to be on record voting in such a way that would block legislation to put us in compliance with the WTO ruling.

The second part of this is, because of the tax policy changes in this legislation, it will create jobs in the manufacturing sector. We need that. There are not many things we can do this year that will have an immediate effect on job creation, but this is one of those bills that will. A highway bill, an energy bill, and this Jumpstart Our Business Strength would make a huge difference.

If we do not pass this legislation, we get hit two ways. No. 1, if we don't comply with WTO, it means our goods will be hit with additional import duties, whether it is citrus in Florida or textiles in North Carolina, and it will spread all across the country; and No. 2, we don't get the benefit of the jobs that come from this.

I say to my colleagues, it is one thing to argue over some amendments you want voted on. I assume our leadership will work this out, but they need to do it quickly because this is already in overtime. We are already being penalized because we have not acted as a result of this World Trade Organization ruling. The very idea we would have to vote on 5, 10, 15, 20—who knows how many irrelevant amendments also because somebody wants to make their political statement in this election year I think is going to be pretty hard to defend. The American people may not understand all the nuances of this very complicated legislation, but they will understand when our products wind up being hit with what are basically fines from the World Trade Organization.

This is very serious legislation. We should not be playing political games. I am not accusing anybody of doing that, but the fact is if we don't find a way to get an agreement to bring it to a conclusion, somebody is going to get the blame for not doing so.

I still believe the best way to win an election is governance, not politics. If you produce results, the people know it. If you don't, they know it. And they know right now this Senate is not producing very much.

Again, I don't want to presume to blame one side or the other, but I can tell you in this case if we don't pass this legislation, if our colleagues on the Democrat side of the aisle don't come to some reasonable agreement to have some limited number of amendments and get to final passage, the country is going to pay a price. I think that is a huge mistake.

I don't usually come to the floor and make this kind of a statement, but the

very idea that we would not complete action on this legislation is totally unacceptable. I urge our colleagues on the other side of the Capitol to get going, get it out of the Ways and Means Committee, bring it to a vote, let's get this into conference, and let's get this legislation completed. If we don't do any other bill this year, this is one we must do because we are going to be penalized if we don't and we don't get the benefit of the jobs it would create.

I wanted to come to the floor and say if we don't get an agreement pretty quickly on limiting amendments, I think we should get another cloture vote. If we don't get cloture to cut off irrelevant amendments and get to completion of this amendment, we are going to have to move on and the blame will fall somewhere. Unfortunately, the American people will pay the price. We need to find a way to get it done and it needs to get done quickly. This legislation has to be completed within the next week and we should just find a way to get it done.

I yield the floor and 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.

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

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

Ms. STABENOW. Madam President, I ask unanimous consent to speak as if in morning business.

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

MILDRED MCWILLIAMS "MILLIE" JEFFREY

Ms. STABENOW. Madam President, today I have lost a very dear friend, as have the people of Michigan and hundreds of thousands of people across the country. Millie Jeffery is an icon in the State of Michigan and in our country for civil rights, women's rights, and workers' rights. Her life has epitomized the principles by which we all strive to live our lives—justice, equality, and compassion.

Although small in stature, Millie has been a giant among all of us who have known her. Words cannot express the depth of affection and respect in which Millie is held, nor can words quantify the lives that she has touched.

Mildred McWilliams Jeffery, social justice activist, retired UAW Director of the Consumer Affairs Department and a Governor Emerita of Wayne State University, died peacefully surrounded by her family early this morning in the Metro Detroit area. She was 93. In 2000, President William Clinton awarded her the Medal of Freedom, the highest civilian award bestowed by the United States Government.

In seeking world peace by ensuring equality for all, Millie spent a lifetime working on labor, civil rights, education, health care, youth employment, and recreation issues. She

brought inspiration and humor to the many people she touched—and did so with optimism and undaunted spirit.

Millie's list of accomplishments and awards is long but what she is most remembered for is her zest for organizing. She mentored legions of women and men in the labor, civil rights, women's rights, and peace movements. As President Clinton noted: "Her impact will be felt for generations, and her example never forgotten."

Millie was one of the most important mentors in my life and I will always be very, very grateful to her.

Born in Alton, IA, on December 29, 1910, Millie was the oldest of seven children. She graduated from the University of Minnesota in 1932 with a bachelor's degree in psychology and received a master's degree in social economy and social research in 1934 from Bryn Mawr College. In graduate school, she realized that to improve the lives of working women and men she would have to change the system. In the 1930s, that meant joining the labor movement.

Millie became an organizer for the Amalgamated Clothing Workers of America in Philadelphia and then Educational Director of the Pennsylvania Joint Board of Shirt Workers. In 1936, she married fellow Amalgamated organizer Homer Newman Jeffrey, and they traveled throughout the South and East organizing textile workers. During World War II, the Jeffreys worked in Washington, DC, as consultants to the War Labor Board, where they became close friends with Walter, Victor, and Roy Reuther.

Mildred and Newman Jeffrey moved to Detroit in 1944 when Victor Reuther offered Millie a job as director of the newly formed UAW Women's Bureau. Millie's commitment to equal rights fueled her career at the UAW. She organized the first UAW women's conference in response to the massive postwar layoffs of women production workers replaced by returning veterans. From 1949 until 1954, Millie ran the union's radio station. She moved on to direct the Community Relations Department. She was director of the Consumer Affairs Department from 1968 until her retirement in 1976.

Millie joined the NAACP in the 1940s and marched in the south with Dr. Martin Luther King Jr. in the 1960s. Former executive secretary of the Detroit Branch of the NAACP, Arthur Johnson, said that "in the civil rights movement, she knew how to fight without being disagreeable."

Mildred Jeffrey also was very active in the Democratic Party, preferring to work behind the scenes organizing, canvassing, consulting, and fundraising. She was the consummate strategist. Millie provided savvy advice to Democratic officeholders and presidents from JFK to Bill Clinton. Senator EDWARD KENNEDY—D-MA—observed "whether it was a worker in a plant or whether it was a Congressman or Senator or President, Millie inspired people."

As a founding member and chair of the National Women's Political Caucus, Millie supported female candidates for public office. Twenty years ago she led the effort to nominate Geraldine Ferraro as Walter Mondale's running mate. Most recently Millie delighted in being represented by Michigan women she supported, Governor Jennifer Granholm, and myself. Millie is the "political godmother" for many of us, and we are extremely grateful for her love and support.

Millie ran for public office in 1974 and was elected by the people of the State of Michigan to the Wayne State University Board of Governors, an office she held for 16 years—1974–1990. She was so proud of her role in supporting this wonderful university. She served three terms as board chair. Millie loved Wayne State University and was a long-time resident on campus. She never tired of showing visitors around her "neighborhood"—the Adamany Undergraduate Library, the Hilberry Theatre, and the Walter P. Reuther Library. Millie thrived in the academic environment enriched by Wayne State University students.

Her friendships extended worldwide across all ages and nationalities. Whether discussing math with teenagers in Wayne State's Math Corps or strategizing at the UN Conference on Women about the plight of sweatshop workers, Millie's capacity for connecting with people was unmatched.

Millie's capacity for connecting with people was unmatched. As one who traveled with her to the Fourth World Conference on Women in Beijing, it was amazing to see people from all over the world, hearing we were from Michigan, asking if we knew Millie Jeffrey and if we could tell them where she was; or that their grandmother, their aunt, suggested they meet Millie Jeffrey.

I often said the way to world peace was to let Millie loose; sooner or later we would all know Millie Jeffrey and come to understand each other.

Millie was inducted into the Michigan Women's Hall of Fame and was an original board member of the Michigan Women's Foundation. She served in various leadership roles in a wide variety of national and State organizations such as the Michigan Women's Political Caucus, the Coalition for Labor Union Women, Americans for Democratic Action, National Abortion Rights Action League, Voters for Choice, EMILY's List, and the American Civil Liberties Union. She served on the peer review board of Blue Cross and was an active member of the First Unitarian Universalist Church in Detroit.

She was also an adoring mother of a son and a daughter and adoring grandmother who developed and nourished creativity and curiosity in her two grandchildren who she loved dearly, Erica Jeffrey and Thomas Jeffrey. She encouraged Erica's love of ballet. She urged Thomas to travel to learn about the world and was so proud of his AmeriCorps Service.

All of these lists of awards, duties, responsibilities, and committees do not say what Millie is all about: Millie Jeffrey was a one-of-a-kind woman of great passion, of great commitment, of great interest in knowing about each one of us and what we were doing and what we cared about and how she could help. Millie is no longer with us, but she will be with us forever because her spirit will continue in all of us.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my colleague, Senator STABENOW, for those wonderful words about a fantastic woman who always supported other women in their endeavors. You are right, her spirit will live on.

I heard a little bit of Senator LOTT's comments about Democrats playing politics with the bill before the Senate. No one should play politics with a bill in the Senate, but no one should play with people's overtime. The reason it is so important to insist on a vote is I have millions of people in my State who will be adversely impacted because the administration wants to repeal the overtime laws. This group that is very concerned includes the first responders, my police, my fire, my emergency personnel. Say all you want; no one will play with their overtime. I will fight for their overtime pay.

There is no point getting a bill through here—by the way, the bill is very important—if on the one hand you say we are helping with job creation and on the other hand you take away people's overtime. The debate will continue.

HONORING OUR ARMED FORCES

I come to the Senate to show my colleagues a tribute to the men and women who are dying in Iraq every single day. I want to also thank the San Francisco Chronicle, Insight section, dated March 14, 2004. They turned their entire magazine into a tribute to the fallen in Iraq, page after page, so they will not be forgotten. This is well over 500 people.

It is so touching because it has the feel and look of a yearbook, of a high school yearbook or a college yearbook. You recognize these beautiful faces belong to some of the best and the brightest, cut down so early in their lives.

We tend not to pay enough attention around here so I will take some time. I took this very important magazine and turned it into charts, portraits of sacrifice. It says:

This special section commemorates the 556 members of the U.S. Armed Forces, as of Thursday, who have lost their lives in Iraq. While views on the wisdom of the war vary, there's no doubt about the commitment and valor of these Americans. The portraits can also be viewed online.

I have chart after chart of the fallen. This shows exactly how the war proceeded and how many war deaths, month by month. This shows the home States of those who have died. In Nebraska, six have died; in South Dakota, four; in California, 61. We are the No. 1

state, unfortunately, in losses of these beautiful people.

The charts go on. This shows how they died. How many in helicopter crashes, vehicle accidents, illness, weapons discharges, drownings, hostile fire, combat, noncombat. Bombs are not the only risk of war. I know the Presiding Officer understands that very well.

This chart shows an incredibly somber photograph of a burial and the folding of the American flag on the casket.

This is an editorial of the paper. I will read a few things from it.

The Iraq war won't quit. Since Baghdad's fall, there are no battle lines. Fighting takes on a new lethal form in ambushes, bombings or plane crashes. Injury and death come almost daily.

On May 2, after a lightning-quick sweep through Iraq, President Bush declared that major combat was over. This country's vaunted armed forces had made short work of the Iraqi military.

But the president's proclamation didn't stop the fatalities, which as of Thursday included 556 American troops. More than 415 of them lost their lives after Bush declared that the major fighting was finished.

It goes on.

Many parents of the fallen describe their children as enormously proud of military service and the chance to serve in Iraq. Among the thousands from Northern California who went to Iraq, consider the stories of several who died.

And they go through them.

Gunnery Sgt. Joseph Menusa from San Jose joined the Marines after high school. Born in the Philippines, he became a proud Marine recruiter, snappy in dress blues, before taking on more active duty in Japan, the Persian Gulf, Cuba and Hawaii. He died in an ambush near Nasiriya in the early days of active fighting.

It talks about Karina Lau, and Genaro Acosta, and Joseph Norquist, how he played football before earning a degree at Diablo Valley College in Pleasant Hill.

His parents said:

Joe believed in the job he was doing in Iraq.

The article continues:

Iraqis families have suffered, too. Thousands of their sons and daughters, mothers and fathers, friends and acquaintances have died in the conflict. We should recognize their losses.

Before the war is wrapped up and American troops depart, there will be more fatalities. Only then can the full human cost of the war be measured. But as the first anniversary of the war approaches, it is time to stop and think about those who have given their lives and why.

And there are more charts. We have these soldiers' faces. Then there is this cartoon drawing of an American eagle—a big bird with a little baby bird on a branch and an olive branch. It says, "Abstractions are just abstract until they have an ache in them."

Then we have: "The rifle and helmet of Marine Jason D. Mileo stand as a memorial after he was killed by friendly fire in Baghdad."

This concludes this particular tribute.

Since the day this tribute ran—which was on Sunday, March 14—the following have been killed:

Fern L. Holland, 33, of Oklahoma, died on March 9; Robert J. Zangas, 44, of Prince William County, VA, died March 9; SGT Joe L. Dunigan Jr., 37, of Belton, TX, died March 11; SP Christopher K. Hill, 26, of Ventura, CA, died March 11; CPT John F. Kurth, 31, of Wisconsin, died March 13; SP Jason C. Ford, 21, of Bowie, MD, died March 13; SP Jocelyn L. Carrasquillo, 28, of Wrightsville Beach, NC, died March 13; SSG Clint D. Ferrin, 31, of Picayune, MS, died March 13; SGT Daniel J. Londono, 22, of Boston, MA, died March 13; PFC Joel K. Brattain, 21, of Santa Anna, CA, died March 13; 1LT Michael R. Adams, 24, of Seattle, WA, died March 16; SGT William J. Normandy, 42, of Augusta, GA, died March 15; MSG Thomas R. Thigpen Sr., 52, of Augusta, GA, died March 16; SGT Ivory L. Phipps, 44, of Chicago, IL, died March 17; SP Tracy L. Laramore, 30, of Okaloosa, FL, died March 17; PFC Brandon C. Smith, of Washington, AR, died March 18; PFC Ricky A. Morris Jr., 20, of Lubbock, TX, died March 18; PFC Ernest Harold Sutphin, 21, of Parkersburg, WV, died March 18; SSG Anthony S. Lagman, 26, of Yonkers, NY, died March 18; SGT Michael J. Esposito Jr., 22, of Brentwood, NY, died March 18; CPL Andrew D. Brownfield, 24, of Summit, OH, died March 18; SP Doron Chan, 20, of Highland, NY, died March 18; CPL David M. Vicente, 25, of Methuen, MA, died March 19; PFC Jason C. Ludlam, 22, of Arlington, TX, died March 19; 1LT Michael W. Vega, 41, of Lathrop, CA, died March 20; MAJ Mark D. Taylor, 41, of Stockton, CA, died March 20; SP Matthew J. Sandri, 24, of Shamokin, PA, died on March 20; PVT Dustin L. Kreider, 19, of Riverton, KS, died March 21; PFC Christopher E. Hudson, 21, of Carmel, IN, died March 21; and LCpl Andrew S. Dang, 20, of Foster City, CA, died March 22.

That is the last I have. I hope it stops and I do not have to come back to this floor. I have done this from time to time.

We pray so much the Iraq war will end and the people there will have freedom and democracy, that they will respect each other, and our troops can come home; and, in the meantime, that the burden can be shared by the world rather than falling on their shoulders.

As I read this, and I read the ages, we saw ages from 19 to over 50 years old. Imagine what these people are leaving

behind. I wish to say how my heart goes out to their families and how I will do everything I can to see this killing ends.

Mr. 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. 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, prior to our cloture vote on the FSC/ETI bill, I read a list of some products that, if they are going to be shipped out of the United States and exported to Europe, are going to have, right now, a 5-percent tariff added to them because of European retaliation against the United States because we have not passed this legislation yet. That is going to cause jobs to be lost. That tariff is going to go up, over the course of the next 12 months, 1 percent every month, to 17 percent.

I will be a little bit more specific in how some of those products and the manufacturers of those products, or the producers of those products, will be affected.

In jewelry manufacturing, we would have \$2 billion in annual exports being jeopardized. Ninety-five percent of jewelry manufacturers are small businesses, so obviously it would have a huge potential impact on jobs. Folks such as Stamper Black Hills Gold in South Dakota are targeted, as one example of jewelry manufacturing.

Racehorses: The average value of U.S. exports of racehorses is about \$100,000. At 5 percent, that is an extra \$5,000 cost to our exports. By the end of the year, it will be an extra \$14,000 on average. For high-value horses, it will be several times more. These sanctions would impact States such as New York, California, Florida, and Maryland. In the area of dairy, we will have sanctions on cheese exports impacting States such as Wisconsin, Vermont; fruits and vegetables, California; citrus fruits, peppers, Florida, and tomatoes, as an example.

I could go on and on, but I will include for the RECORD a list beyond what I have just referred to. We have over 500 items that have been targeted already with sanctions on them. I ask unanimous consent to print that information in the RECORD.

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

TABLE I.—SUMMARY OF EU RETALIATION ON U.S. EXPORTS

HS Chapter	Description	Number of products on list	EU imports from the U.S. (\$)	EU imports from the World (\$)	U.S. share of total EU imports (percent)	U.S. States impacted
71	Total targeted products	1608	\$2,987,104,667	\$105,286,944,000	2.84	
	Precious stones and metals	30	1,185,122,333	21,852,215,667	5.42	NY, NJ, UT

TABLE I.—SUMMARY OF EU RETALIATION ON U.S. EXPORTS—Continued

HS Chapter	Description	Number of products on list	EU imports from the U.S. (\$)	EU imports from the World (\$)	U.S. share of total EU imports (percent)	U.S. States impacted
84	Nuclear reactors, boilers	219	465,831,333	6,927,934,667	6.72	CA, TX, OH, MI
95	Toys, games & sport equipment	52	154,130,333	5,738,339,333	2.69	CA, NY, WI
85	Electric machinery	104	126,726,000	6,843,973,333	1.85	CA, MA, TX
44	Wood products	93	107,296,000	5,133,694,333	2.09	MN, CA, GA, PA
23	Food industry residues; animal feed	13	87,018,667	4,130,567,333	2.11	LA, FL, IL
76	Aluminum	26	86,458,333	4,033,831,667	2.14	NY, OH, GA, CA
72	Iron and steel	132	78,567,000	6,240,722,000	1.26	PA, OH, CA
70	Glass and glassware	63	77,357,000	1,246,199,667	6.21	OH, PA, NY
42	Leather art; saddlery; handbags	28	76,479,333	4,646,829,667	1.65	CA, NY, TX
82	Tools	33	56,315,333	1,114,187,333	5.05	NY, OH, PA
48	Paper & paperboard & articles	76	50,747,000	1,251,969,000	4.05	GA, SC, MA
73	Articles of iron or steel	81	48,480,667	1,954,293,667	2.48	CA, IL, PA
62	Apparel, not knit	100	34,673,333	6,525,718,333	0.53	CA, NY, NY
2	Meat and edible meat	13	27,447,333	511,399,333	5.37	TX, FL, IL, MN
74	Copper	25	26,951,000	3,981,795,000	0.68	IL, PA, CA
15	Animal or vegetable fats	30	25,274,667	786,072,000	3.22	NY, TX, CA, LA
7	Edible vegetables	35	24,813,667	1,450,609,333	1.71	CA, WA, OR
61	Apparel, knit or crocheted	78	23,586,000	3,657,707,000	0.64	CA, NY, NC
12	Oil seeds; grain	26	23,236,333	422,128,000	5.50	CA, NY, OR
63	Textile art; needlecraft	49	22,449,667	2,718,420,000	0.83	NY, IL, CA
69	Ceramic products	19	17,550,000	1,039,120,333	1.69	CA, PA, IL
64	Footwear, gaiters	31	16,633,333	3,575,020,000	0.47	CA, MA, NY
57	Carpets	25	16,071,000	1,041,442,000	1.54	GA, NY, SC
19	Cereal, flour, starch or milk	27	16,031,000	275,112,333	5.83	CA, NY, IL
17	Sugars	11	15,114,333	339,012,000	4.46	IL, NY, LA
34	Soap; waxes, polish; candles;	4	14,766,000	266,420,333	5.54	OH, MA, CA
8	Edible fruit & nuts	32	12,285,000	3,604,658,333	0.34	CA, FL, WA
5	Products of animal origin	12	11,518,333	612,095,333	1.88	NY, CA, PA
21	Misc edible preparations	11	9,772,667	203,058,667	4.81	NY, CA, IL
83	Articles of base metal	11	9,460,000	226,026,000	4.19	CA, OH, TN
20	Prep vegetables, fruit, nuts	33	8,354,000	682,048,333	1.22	FL, CA, IL
1	Live animals	9	7,830,667	44,861,333	17.46	NY, FL, MA, KY
16	Meat, fish, crustaceans	11	6,878,667	983,657,333	0.70	CA, NY, FL
41	Raw hides & skins	28	4,518,333	323,585,000	1.40	NY, CA, NC
4	Dairy products	16	3,586,000	546,773,333	0.66	WI, TX, CA
10	Cereals	3	2,225,333	47,227,000	4.71	MN, IL, SD
49	Printed books, newspapers	2	1,560,000	57,755,333	2.70	NY, CA, FL
35	Starch; glue; enzymes	5	1,349,000	189,676,667	0.71	WI, IL, NY
33	Essential oils; perfumery	3	1,287,333	20,695,000	6.22	NY, NY, MA
11	Milling products	6	745,333	8,339,000	8.94	IN, MN, CA
43	Furskins and artificial fur	1	271,667	25,200,333	1.08	NY, CA, FL
54	Manmade filaments	1	248,667	4,072,667	6.11	GA, NY, TX
52	Cotton	1	86,667	2,480,667	3.49	CA, NC, NY

Mr. GRASSLEY. We just had a cloture vote on the bill. I have spoken before about that not being my preferred route for moving a strongly bipartisan bill, but leadership decided to do it. Obviously, I want to get to finality, so I voted to close debate and move on.

The JOBS bill is a bill to create manufacturing jobs. It should not have required a cloture vote to get it passed. But politics have stepped in the way, and that seems to be the rule of the day.

I wanted to act on this bill last year because I was fearful that elections this year and the politics connected thereto would get in the way of the Senate's ability to do its job. It looks as though I may have been right after all. The procedural shenanigans when we first brought up the bill confirmed my worst fears. Senator BAUCUS and I had an agreed order of amendments that would have improved the bill and brought important relevant issues forward. Many of those issues included in this amendment by Senator BAUCUS and I were at the request of a lot of people who voted against cloture.

The agreement we had was undermined by the Democratic leadership. They would prefer to turn a bipartisan bill into a political football. That is inexcusable because we have worked hard throughout this process to make sure everyone's concerns, Republican and Democrat, were incorporated in the bill.

You should not play political games with a bipartisan bill that preserves the jobs of manufacturing workers across the land, and probably greatly

increases the number of manufacturing jobs.

I would like to repeat points I made yesterday about the bipartisan aspects of this legislation. The construction of the JOBS bill began when Senator BAUCUS was chairman of the Finance Committee. He held a hearing in July 2002 to address the FSC/ETI controversy within the World Trade Organization. We heard vital testimony from a cross-section of the industries that would be adversely affected by repeal of the Extraterritorial Income Act. We also heard from U.S. companies that were clamoring for international tax reform because our tax rules were hurting their competitiveness in foreign markets. Their foreign competitors were running circles around them because of our international tax rules. That is what we were told during the hearing.

Also during the hearing, Senator BOB GRAHAM of Florida and Senator HATCH expressed concerns about how our international tax laws were impairing the competitiveness of U.S. industry.

In response, at that particular time, still in 2002, Senator BAUCUS formed an international tax working group with Senator GRAHAM, Senator HATCH, and this Senator. It was open also to any other member of the Finance Committee who wanted to serve and had an interest in this issue. This bipartisan Finance Committee working group formed the basis for the bill that is now before us. We directed our staff to engage in an exhaustive analysis of international reform proposals to glean the very best ideas from many different sources, and as many as possible. Sen-

ator BAUCUS and I also formed a bipartisan, bicameral working group with the chairman and ranking member of the Ways and Means Committee in an effort to find some common ground on dealing with repeal of the Foreign Sales Corporation extraterritorial income language in our law that had been declared contrary to our international treaty obligations.

After that effort failed, working with the Ways and Means Committee, Senator BAUCUS and I continued to work with our Finance Committee colleagues on bipartisan development of the repeal of that language and also to expand and improve the international tax reform package. We continued our bipartisan efforts when I became chairman last year.

In July 2003, following on the impetus of the Baucus hearings, we held two additional hearings on FSC/ETI and the international reform issue. These two hearings concluded our final bipartisan effort in reviewing all of the policy options for creating the bill now pending before the Senate. Let me emphasize that there is not one provision in this JOBS bill that was not agreed to by both Republicans and Democrats. We have acted in the best faith to produce a bill that protects American manufacturing jobs and makes our companies globally competitive. And we did this in a fully bipartisan manner, which is what the American people expect us to do on such an important issue as manufacturing jobs and our Nation's economic health and also because, quite frankly, nothing gets done

in the Senate that does not have a bipartisan approach.

But these efforts toward bipartisanship and all the other efforts that went into it do not seem to be enough for some. I believe some people don't want this bill to pass. I will bet those very same people will end up voting for it anyway, if we ever get to that point, because I don't think they can openly oppose it. That would be bad form, considering all the talk there has been in this body about outsourcing and off-shore manufacturing. Instead, these people who might not want to see this bill pass would try to destroy the bipartisan product with amendments on controversial issues that are what we call "not germane" but are also totally unrelated to the JOBS bill.

That is why we found ourselves facing the cloture vote today. The cloture motion did not get the 60-percent supermajority. Consequently, we are in a position of limbo on this legislation.

I am speaking because I want people to reconsider their position, particularly in light of all of the products that I have read that are going to have a 5-percent tariff on them, making our manufacturing less competitive and consequently losing jobs to a greater extent. When I think about efforts, for political reasons, to destroy this bill, I can quote, at least, from a Washington Post article that quoted a Democratic tax aide as saying—and this person is not named in the article—

There's not a lot of incentive for us to figure out this problem—

Meaning the FSC/ETI problem. This Democratic aide went on to say:

Allowing the extra-territorial income controversy to fester would yield increased sanctions that could benefit the Democrats in November.

Well, that is exactly what is accomplished by not getting the supermajority of 60 to stop debate and to move on. This is, in fact, festering. Now, all of this, to me, is an appalling statement, whether it comes from a Member or whether it comes from a top staffer of a Democratic Member, because this debate should be about policy, not about petty politics.

Today, Democrats said no to cloture; Republicans said yes to cloture. The Democrats are on record opposing the provisions in this bill. Some of those provisions, if we don't get beyond where we are now, will be killed because of this morning's vote. This bill will end \$4 billion a year of European Union tariffs against U.S. exports. These sanctions are already being imposed against many U.S. products. I named over 500 of them. They fall into the category of grain, timber, paper, and various manufactured goods.

Those sanctions started on May 1. They increase 1 percent each month we fail to act, adding up over 12 months to 17 percent. They will be 13 percent by the end of this year. That is too politically tempting for some to let pass.

We could have ended the \$4 billion in sanctions with this bill, but the Demo-

crats said no. The Congressional Budget Office says we have lost 3 million manufacturing jobs since the middle of the year 2000—6 months before President Bush became President—when a depression in manufacturing set in. The JOBS bill provides \$75 billion of tax relief to our manufacturing sector to promote rehiring in U.S.-based manufacturing. But the Democrats said no.

The Democrats claim they are worried about the scope of proposed overtime regulations—regulations that are not even out yet, not final. But how can you worry about overtime if you don't have a job in the first place? You have to have a job to earn overtime. We need to address the manufacturing job loss right now by voting for the bipartisan JOBS bill.

The JOBS bill gives a 3 percentage point tax rate cut on all income derived from manufacturing in the United States. This will not benefit manufacturing offshore. So you can see this is tilted toward encouraging manufacturing in the United States, creating jobs in the United States. This reduction in taxes starts as soon as the President signs this bill. This manufacturing rate cut applies not only to big corporations but to sole proprietors, partnerships, farmers, individuals, family businesses, multinational corporations, and foreign companies that set up manufacturing plants in the United States and hire workers here. This should keep the Government out of their pocket while they try to recover from the economic downturn by lowering this tax and also because it is an incentive to expand production here rather than overseas. But on that vote we had about 2 hours ago, the Democrats said no.

The JOBS bill extends the research and development tax credit through the end of 2005. This credit is a domestic tax benefit that incentives research and development, translating to good, high-paying jobs for Americans here in America, not overseas. But the Democrats said no today.

There are other important provisions in this bill. The bill extends for 2 years tax provisions that expired in 2003 and 2004. This includes items such as the work opportunity tax credit and the welfare-to-work tax credit. Why did the Democrats say no to these measures that are meant to help lower income people and young people get into the workforce to work their way up the economic ladder—particularly to move people off welfare into the world of work, because in the world of welfare, you are going to be in a life of poverty. If you move people over here and give them an opportunity to move up, quite frankly, they are going to be able to improve themselves, enhance their opportunities, enhance their livelihoods.

There are also in the bill enhanced depreciation provisions to help the ailing airline industry. There are new homestead provisions for rural development. These provide special assistance for businesses in counties that are los-

ing population. It provides incentives for newly constructed rural investment buildings, for starting or expanding a rural business in a rural high out-migration county. But the Democrats said no when they voted to continue the debate rather than reach finality on this bill.

We have a provision that allows payments under the National Health Service Corps loan repayment program to be exempt from tax. This is also for rural development—again, responding to a lot of Senators who support that because they are concerned about having high quality health care in rural America.

The JOBS bill includes brownfields revitalization. The bill waives taxes for tax-exempt investors who invest in the cleanup and remediation of qualified brownfield sites.

It includes a mortgage revenue bonds provision. That proposal would repeal the current rule that mortgage revenue bond payments received after the bond has been outstanding for 10 years must be used to pay off the bond rather than issue new mortgages. There are 70 Senate cosponsors of that bill. But the Democrats said no today on the cloture vote.

We allow deductions from private mortgage insurance for people struggling to afford a home. The no vote on today's cloture motion was a vote against homeowners.

We have extended and enhanced the Liberty Zone bonds for the rebuilding of New York City because of September 11. We included \$100 million in tax credits to be used on rail infrastructure projects in the New York Liberty Zone. The Democrats actually tied up funding for the Liberty Zone to prove a political point on a Labor Department overtime regulation that isn't even finalized. Well, we tried to help some Senators with that provision. Yet they voted no.

There is a lot here to help economic development. We have increased industrial development bond levels to spur economic development. We have bonds for rebuilding school infrastructure. We have included tribal bonds, which allow Native Americans to obtain bond financing for reservation projects in the same manner as State and local governments.

We have a new tribal new markets tax credit. This would add \$50 million annually in new markets tax credits dedicated to community entities serving Native Americans.

The JOBS bill provided \$500 million over 3 years in the Federal tax credits to States for intercity passenger rail capital projects, and for so-called short-line rail service.

Was it worth killing off these important priorities by voting against an unfinished regulation? But that is what the Democrats did with this cloture vote.

We also have a special dividend allocation rule for the benefit of farm cooperatives. We have provisions that

help cattlemen when drought, flood, and other weather-related conditions—all beyond the control of the individual farmer—might wipe out their livestock.

We have a provision to benefit rural letter carriers.

The JOBS bill enhances a broadband expense so people in rural America can have a quality of life through IT, the same as those people in urban America.

We have included the Civil Rights Tax Fairness Act so people who win lawsuits actually get benefits from them because we have some people winning lawsuits and by the time they pay their taxes and pay the lawyers, they do not have anything left. So what good does it do to win a civil rights lawsuit?

Our bill includes a tax credit for employers for wages paid to reservists who have been called to active duty. There is a lot of that now because of the war.

The Democrats voted against cloture and killed all these measures. All these benefits are being held hostage because the other side is pushing for a vote on a nongermane amendment.

When we are faced with 5-percent sanctions, and next month it is going to be 6 percent and the following month 7 percent and eventually 17 percent after a year, I think in that environment it is fair to call this obstruction and maybe, in the case of this divided vote, political obstruction, partisan obstruction, particularly when this bill was developed in complete cooperation with the Democrats, not only on the underlying bill, but a lot of these amendments that were added by Senator BAUCUS and me were a direct result of trying to satisfy Democrats as well as Republicans.

That sort of obstruction did not work in 2002, and I do not think it is going to work today. When it was tried in 2002, Mr. President, do you know what happened? That sort of obstruction was supposed to win the Democrats continued majority in the Senate, and it cost them the majority. Do you know why? Because politics is not good policy, but good policy is good politics.

It is inexcusable to hold up a bill that will benefit millions of manufacturing jobs to score political points. We have worked hard throughout this process to make sure everyone's concerns—both Republicans and Democrats—were in this bill. In the committee, we did more to satisfy the Democrats. There were two votes against this bill and those two votes were from Republicans. How is that for a Republican chairman working with the Democratic leader of that committee to get a bipartisan bill to satisfy the Democrats, and in the process I irritate two Republicans? But it is still a bipartisan bill.

We tried to make sure everyone's concerns were taken care of in this bill. We see that concern reflected in the amendments I just listed. Anyone who voted against cloture voted against all

those items I just listed because a few on the other side—or maybe I should say all on the other side—wanted to vote on another amendment, an amendment that was not germane. Then we had some people on the other side who were involved in that amendment saying all these amendments I listed are nongermane as well. Every one of them is in the jurisdiction of the Finance Committee, and every one of them is a tax-related item. So tell me tax-related items are nongermane and use that as an excuse to bring up a nongermane amendment that is in the jurisdiction of the Labor Committee. It just does not make sense. It is not true.

I hope somehow there can be some accommodation and get serious about the manufacturing job crisis that is facing America. We need to move this JOBS bill forward. Sooner or later, it is going to move forward because the more we tack on 1 percentage point a month for the next 12 months and get up to 17 percent, there are going to be enough businesses, as well as working people, complaining, and I hope they forward their complaints to the Democratic Party in the Senate because those are the people who voted against cloture.

Mr. ENSIGN. Mr. President, will the Senator yield for a question?

Mr. GRASSLEY. Yes, I will yield for a question.

Mr. ENSIGN. Mr. President, is the Senator aware that within the JOBS package, not only does it stop the tariffs from going into effect and being raised by 1 percent a month, but within this JOBS package, the provision known as the Invest in the USA Act would bring over \$300 billion back into the United States to be reinvested to create American jobs? One estimate from a very well-respected economist, Alan Sinai, has said 660,000 jobs would be created by that one provision alone. Is the Senator aware that by killing this bill, at least 660,000 jobs just in that one small provision will be killed along with it?

Mr. GRASSLEY. Mr. President, I am aware of that, and it gives me an opportunity, because I did not highlight it in my remarks, to compliment the Senator from Nevada because he is the brains behind that amendment. That amendment probably will do as much good—or at least almost as much good—as the underlying legislation. It is a part of this bill. It ought to be passed, and I am sure the Senator from Nevada will be constantly reminding people on the other side of the aisle that their voting against cloture has also, at least temporarily, killed this provision as well.

Mr. ENSIGN. If the Senator will further yield for another question, is the fear of the chairman, who has done such great work on this bill—it is my fear and I wonder if the chairman has the same fear—that in the mix of an election cycle, some of these other issues that are being brought up are being brought up to confuse the issue,

where they really do not like the underlying bill but they do not want to vote against the underlying bill because they know they are voting against jobs in America; that if they would vote for cloture, we could have a clean bill with only germane amendments and we could actually start creating jobs in America?

Mr. GRASSLEY. Mr. President, the Senator from Nevada is entirely right, 100 percent right. He may have not heard me say this, but I keep referring during this debate to a statement made by the Washington Post describing a Democratic tax aide as saying there was not a whole lot of incentive for the other side to move this bill along because as sanctions come on and people get laid off, that is going to benefit them in the next election. I said to my colleagues and I say to the Senator from Nevada that is politics getting in the way of good policy. I hope the other side realizes that the best politics is good policy.

Mr. ENSIGN. I thank the Senator.

Mr. GRASSLEY. I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, in response to the Senator from Iowa, who has worked very hard on this bill, it is a bill that should be voted on and it is a bill that will be voted on before the session is ended. It is an important bill for business, for America, and for jobs. But the reason this bill has not been voted on is because we on this side of the aisle believe that Senators from both parties should stand up and cast their votes and take a position on the Bush administration's proposal to take the right to overtime pay away from 8 million working Americans.

When we look at the people who will be disadvantaged by this Bush administration change, they include policemen, firefighters, nurses, veterans, and scores of other occupations in America that will lose the right to overtime pay because of the Bush administration policy.

All we have asked for on the Democratic side of the aisle is a simple up-or-down, yes-or-no vote. Let those who agree with the Bush administration—for the first time since 1938 we have a President who is going to remove the right to overtime pay—vote with their President. Let them vote to take away overtime pay from 8 million Americans.

Let those of us who think this is a bad thing to do, taking away overtime pay from nurses at a time when hospitals are desperate to keep them working, taking away overtime pay from veterans who picked up training when they were in the military and will now be penalized by this Bush administration overtime change, let those of us who think these are horrible outcomes vote no. That is all we have asked for, and because the Republican leadership does not want to go on record again against the Bush administration on overtime pay, they have

chosen instead to pull the bill off the calendar.

All the things the Senator from Iowa said notwithstanding, if they would give us a vote on that amendment, we could move forward on this bill, and we should. This is one of the few chances we are going to have to address meaningful issues that relate to jobs and the economy. We cannot in any way squander this opportunity.

I thank the Senator from Iowa for his hard work. The Senator from Montana, Mr. BAUCUS, has joined him in this effort. For goodness' sake, give us an up-or-down vote on this overtime pay issue and let us move forward and pass this bill. Unless and until that occurs, we are going to continue to have this standoff.

MORNING EDITION AND BOB EDWARDS

Mr. DURBIN. Mr. President, this morning when I left my apartment on Capitol Hill, I bought a Washington Post. The first thing that caught my eye was a front page story that will be repeated in newspapers across America and probably other sources. The headline says: "NPR Yanks Top-Rated Show Host." I stopped what I was doing and read it. It turns out National Public Radio has decided to remove Bob Edwards from Morning Edition after 25 years in front of the microphone.

Morning Edition is one of the most popular radio shows in America. It has 13 million listeners. Whether I am in Springfield, IL, listening to WUIS or I am in Chicago listening to WEBZ, when the clock radio goes on in the morning, the first voice I hear is Bob Edwards.

They decided at NPR it is time to tell Bob Edwards he can no longer serve as the host of Morning Edition. What was Bob's reaction to that? The newspaper says:

I would have loved to have stayed with "Morning Edition." But it's not my candy store.

Well, the article goes on to really analyze why in the world NPR, after 25 years, would remove from the Morning Edition show a person with such a reputation as Bob Edwards'. Well, it cannot be because of the audience, because from the time Bob Edwards has been on Morning Edition the audience has more than doubled for NPR in the last 10 years. As he says, who else can say that?

Bob Edwards is running rings around other radio talk show hosts. Bob Edwards came to the show in 1979. They asked him to take over Morning Edition for 30 days until they found a permanent host. Twenty-five years later, he is still at the microphone. So they went to some of the leaders at National Public Radio and asked: Why are you removing Bob Edwards from the Morning Edition?

Well, they think the decision was made primarily by Jay Kernis, an NPR senior vice president. They explained it as such. They said the idea behind it was:

... to make sure we were in the best position to serve the changing needs of our listeners.

They went on to say:

In today's news environment, people demand both immediacy and depth.

That is the reason why they want to remove Bob Edwards from Morning Edition? Frankly, that is not good enough. I went to the NPR Web site, NPR.org. On that Web site is an explanation of Bob Edwards leaving the show. They do not say they forced him out, just that he is leaving the show.

Here is the kind of response one would expect from Bob Edwards:

... Morning Edition will continue to be my first source of news.

He is still loyal to that program.

On the NPR Web site they list his achievements. Bob Edwards has received two Gabriel Awards; the 1984 Edward R. Murrow Award from the Corporation for Public Broadcasting for "outstanding contributions to public radio;" an Alfred I. duPont-Columbia University Award for Excellence; and the prestigious 1999 George Foster Peabody Award for hosting Morning Edition.

There is a letter from Bob Edwards on the NPR.org Web site. He says:

I am leaving a post that I have loved and have given my heart to.

It is pretty clear that Bob Edwards does not want to leave Morning Edition. For many of us, mornings in America will not be the same without the voice of Bob Edwards to greet us. I have never met him, but I really consider him a friend. He is a reliable source of information, has a voice that calms me when terrible things are happening around the world. He is an American institution.

So here is what I am asking those who are following this debate to consider: If you believe, as I do, that Bob Edwards should continue as the host of Morning Edition, that America's Mr. Morning should stay in front of that NPR microphone, let us do something about it. If you are one of the thousands who contribute to National Public Radio, frankly we have a vested interest in what is going on on National Public Radio. Bob said, and I think he is right, "It's not my candy store," but let me say this: National Public Radio is a candy store that belongs to a lot of us, those of us who listen and those of us who contribute. Listeners who donate are actually the shareholders of National Public Radio. I think it is time for a shareholders revolt, and what I am asking friends of Bob Edwards to do at this point is to log on to NPR.org and send an e-mail to them. Let them know what you think about the removal of Bob Edwards from Morning Edition. Share that with the management who believes we need a new voice, a new style. I frankly think Bob Edwards is as good as it gets.

We have listened to a lot of Bob Edwards' Morning Edition lying down in our beds but we should not take this dismissal from Morning Edition lying down. If people have followed this debate and they believe Bob Edwards is

worth an e-mail to NPR.org, please do so. Possibly you may want to share that with some friends on your e-mail list. Let's see if we can tell some of our friends at National Public Radio we have a national treasure we cannot afford to lose.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from New Mexico.

ENERGY

Mr. BINGAMAN. Mr. President, I rise to speak about high gas prices and high natural gas prices and what we could be doing about it and what I would urge the administration to do about it. I would like to outline 13 concrete steps I believe the President can take to address and to lessen the impact these high prices are having on the U.S. economy and on American families.

Several others in the Senate have talked in recent days to suggest that the cure-all for the current high energy prices would be to take up and pass either the Energy bill conference report that was blocked last fall or a new comprehensive Energy bill that is now on the Senate calendar. Clearly there are some specific legislative provisions related to energy that we in the Congress should be passing this year, and I strongly support getting to those.

The truth is, though, that neither last year's nor this year's bill does much to address the high prices we now face, either in the area of natural gas or in the area of gasoline one gets at the pump. That was a conclusion the Energy Information Administration, EIA, reached after a thorough analysis of last year's conference report that they carried out at the request of Senator SUNUNU.

The EIA conclusion on that conference report, which applies equally to the Energy bill that is currently on the Senate calendar, is: On a fuel-specific basis, changes to production, consumption, imports, and prices are negligible. As the Wall Street Journal stated so succinctly yesterday in an editorial on the NRC legislation:

No energy bill has the ability to ease the crunch in oil and natural gas prices before this fall's election.

Even though there is not a legislative fix, or an immediate fix to this set of problems, nevertheless there are a number of effective steps the President can take under current law using existing statutory authority. These steps would actually do more to address current high energy prices, as well as the root causes, than anything we have in the 1,200-page Energy bill that is still awaiting action.

Let me first talk about the high price of natural gas and what could be done to deal with that. The first set of specific steps the administration could take to address current high prices involves increasing the domestic supply of natural gas. Those steps would allow the President to reprogram additional funds in fiscal year 2004, the current year—reprogram those to Federal oil

and gas programs—and request supplemental funds to reverse the cuts to Federal oil and gas programs that the administration has requested in next year's budget.

Federal programs to support increased domestic oil and gas production have fared very poorly in the President's most recent budget request to Congress. This is in spite of the many public statements of support for increased domestic production by administration officials. The rhetoric, unfortunately, has not been matched by actual requests for investment in these activities.

Here is a chart that tries to summarize a couple of points. This is entitled "Bush Administration Budget Cuts for Oil and Natural Gas Production—Fiscal Year 2005." It is broken into, first, the budget cuts related to the Interior Department and, second, the budget cuts related to the Energy Department. Let me go through this.

A case in point is the oil and gas management program in the BLM, the Bureau of Land Management of the Department of Interior. This is the program that governs onshore oil and gas production on Federal lands such as the oil and gas production on the Federal lands in New Mexico. The 94,000 Federal onshore oil and gas wells currently account for 11 percent of U.S. natural gas production and 5 percent of our oil production. The administration's own figures show there is a backlog of oil and gas lease applications and drilling permits on Federal lands of about 2,100 for the current fiscal year.

That is a remarkable statistic. It means we are foregoing additional oil and gas production and essentially preventing it, not because of some environmental restriction, not because we have closed off some promising new area to development, but because the administration will not hire the people to process the paperwork needed to approve the drilling applications that companies are willing and anxious to undertake.

You would think getting adequate Federal resources to support oil and gas exploration in the field in areas that are not controversial would be fairly easy to accomplish. I can assure my colleagues it is not. My home State of New Mexico is a State that produces a substantial quantity of oil and natural gas. I had to go back to the Bureau of Land Management again and again over the last couple of years to get them to hire additional personnel in the Farmington field office to process natural gas drilling permits. Farmington is not alone in this respect. This is a problem all throughout the Inter-mountain West.

Instead of taking aggressive action in this year's budget to reduce the backlog to zero over the next year, the President's latest budget request cuts \$3 million from the budget of the oil and gas management program with the difference being made up by raising fees on independent oil and gas pro-

ducers for each lease application or drilling permit for which they apply.

Think about that a moment. In the face of very high natural gas prices, the administration says we should cut Federal expenditures for the very people needed to approve more drilling, and we should make up the difference by bumping up the cost of a drilling permit. Not only do we not get more supply, but the additional costs that are levied on producers most likely get passed along to consumers and get reflected in natural gas prices.

As a result of this so-called status quo effort in the BLM, the administration's own figures estimate the bureaucratic backlog in BLM will only decline by 200 in fiscal year 2005. The net backlog of 2,100 would be reduced to 1,900 during that fiscal year, so 18 months from now we would have approximately 1,900 lease applications awaiting some kind of action. This is an inadequate response in light of the current high prices we face. Instead of making it more costly for domestic producers to look for oil and gas on Federal lands and doing little or nothing to make the necessary resources available in the field to speed the processing of leases and permits, the administration should be asking Congress for an increase in this budget.

To address the problem, I recommend the administration take the following three actions to boost domestic natural gas production: First, the Department of Interior should request that fiscal year 2004 funds be immediately reprogrammed to start reducing the drilling backlog at the BLM.

Second, the President should submit a supplemental request for an additional \$8 million for fiscal year 2005, to get that backlog down to zero.

And, third, the President should direct the BLM to abandon the notion of a rulemaking that would erect greater fiscal barriers to the exploration and production of oil and gas on Federal lands.

A second set of deep budget cuts affecting natural gas production can be found in the administration's budget requests for the administration's oil and gas R&D programs. These programs are focused on helping independent producers with access to new technologies that make domestic production of oil and gas more efficient and more effective. They fund efforts such as the Petroleum Technology Transfer Council, which has demonstrated a strong track record in boosting the productivity for independent oil and gas producers. They account for much of our domestic oil and gas production. The President's budget request for 2005 cuts these programs by nearly half.

One particularly important program, the Department of Energy's Petroleum Exploration and Production Research Program, proposes an 84-percent cut under the administration's budget request. Again, given the need to sustain domestic production and the strong

support for these programs that has been repeatedly shown in Congress on a bipartisan basis, it is difficult to justify these funding requests.

So my fourth recommendation to the President is that at a minimum the administration submit a supplemental request for \$37.1 million for fiscal year 2005 for the Department of Energy oil and gas R&D programs. All we are asking for is that we maintain these programs at current funding levels. Frankly, these programs should be increased, but at the very least we should not be phasing them out as the President is currently proposing.

That is natural gas. Let me move to the issue of the high price of gasoline at the pump. Let me make some recommendations as to how that could be relieved.

My first recommendation in this regard would be for the administration to temporarily suspend using royalty-in-kind oil to fill the Strategic Petroleum Reserve.

The Senate voted in favor of such a suspension while we were considering the budget resolution 2 weeks ago. I supported that action. It was proposed on a bipartisan basis by Senators Levin, Collins, and Clinton. I recognize the Senate vote was not binding on the administration. But, the idea of not diverting oil from the market to fill the Strategic Petroleum Reserve at a time of exceptional tightness in oil markets makes sense at least as a signal to the market that the administration recognizes the depth of economic hardship being caused by current high prices.

The President has the authority and discretion to either put the Government's royalty share of oil in the SPR, or to let it be sold on the market, where it will help provide more supply. I believe that the President should direct the Department of Energy to suspend this policy temporarily, to be reinstated when oil prices return to more normal levels. Some have argued that putting the Government's royalty share of oil on the market is some sort of attack on the SPR. That is not true. The practice was started during the Clinton administration, at my urging—and at the urging of others in the industry—because oil prices then were very low, and the extra Government oil being placed on the market was threatening the long-term financial viability of small producers. It was started as a counter-cyclical measure; we should stop it as a counter-cyclical measure in the same way, in my view.

My second recommendation to help reduce high gasoline prices would be for the President to press the Organization of Petroleum Exporting Countries—OPEC—to increase world oil supply.

OPEC has successfully managed the global oil market with an increasing degree of precision since its announcement in March 1998 of a pact to lower output and keep oil prices within a \$22 to \$28 per barrel price band. Supply has been tight and prices have remained

high in particular over the past 12 months.

On February 10, 2004, OPEC announced a surprise agreement to cut its output quotas by 1 million barrels a day, or 4 percent, starting in March, because of concern that prices may fall once winter ends in the northern hemisphere. Meanwhile, crude oil prices in New York reached a 13-year high of \$38.18 a barrel on March 17, 2 weeks before OPEC's next meeting.

Given the economic impact that high energy prices are having on American families and businesses, I believe that the administration needs to act more aggressively to combat the mounting economic crisis. With a decrease in supply, the demand for oil could send prices at the gasoline pump well above \$2 a gallon this summer.

It is time that this administration uses every means at its disposal to bring down high energy prices. OPEC has limited its production of oil to drive prices higher and collect additional profits. This is not acceptable. I recommend that the administration exert diplomatic pressure on OPEC to abandon its agreement of February 10 and to increase oil supplies instead of decreasing. Doing so would not set some new precedent. The Clinton administration used its international leverage to encourage OPEC to keep oil prices stable and affordable during its two terms in office. If President Clinton and his top officials could act in the interest of consumers and the American economy, then I think President Bush can, as well.

My third and fourth recommendations to help moderate gasoline price pressures on consumers would be for the administration to fine-tune the current gasoline sulfur regulation to ease price pressures resulting from the transition to low-sulfur gasoline.

EPA is in the process of implementing a new rule on sulfur in gasoline. This rule sets the acceptable level of sulfur in gasoline at 120 ppm as of January 1, 2004. Over the next two years, this level will drop to only 30 ppm. The move to cleaner, more sulfur-free transportation fuels is necessary and should continue. The rule rewards companies that achieve early reductions in their operations' baseline level of sulfur to generate sulfur credits for use in 2005.

An additional level of special credits called "allotments" was developed to reward companies which made significant capital investment. The rule, however, does not have a reliable mechanism for independent fuel importers to participate in the system if markets are tight and the number of allotments they need to buy—to stay in compliance—are not available. I recommend that the administration revise this rule to allow independent importers to carry a small deficit balance in case they are unable to buy enough allotments. By doing so, we will facilitate the ability to move more gasoline that is currently on the world market to

U.S. consumers this summer, without compromising environmental protections.

If unexpected significant refinery or pipeline disruptions occur, or if gasoline prices rise to levels that cause significant economic harm, I recommend that the administration be prepared to issue an emergency rule allowing the use of the sulfur credits for 2005 in this year. This additional flexibility in the use of sulfur credits would not result in any greater emission of sulfur dioxide over the 2-year period of 2004–2005, but would add to the ability to bring more gasoline into the United States so that consumers are not paying more than they should.

While some of the preceding actions show how fuel prices can be temporarily moderated by lowering barriers to fuels already on world markets this summer, we need to get our national fuels systems in order for the longer term. Although the administration published a general report on national energy policy in 2001, our country still lacks a focused national fuels strategy. Current policies on issues such as the operation of the Strategic Petroleum Reserve—SPR—are simply outdated. The administration has made no progress towards stopping and reversing the increasing balkanization of U.S. fuel markets—a balkanization that hits every consumer right in the pocketbook with higher fuel prices than necessary. And there has been no attempt over the past few years to build consensus around a balanced approach to both increase the supply of refined fuels and increase the efficiency of our oil use economy-wide.

These changed circumstances and new needs call out for a number of policy initiatives that should be undertaken as part of a broader national fuels strategy.

First, such a strategy should look at how conservation in transportation fuel use can be enhanced. Instead of debating on the merits of any single approach to the problem, it would be more productive if the administration were to set a policy target for itself of oil savings it would like to achieve economy-wide over the next 10 years. This would give the administration and the public a yardstick to evaluate the effectiveness of various policy proposals. Such a target would likely be broadly supported across the political spectrum. In the Senate, one such proposal for an oil savings target was supported last year by a vote of 99 to 1. I recommend that the administration set such a policy target, after public consultation.

Second, the Department of Energy and the Environmental Protection Agency should start addressing the need for further refining capacity in areas, such as the east coast, that are now importing gasoline to keep pace with demand. States, localities, consumer groups, environmental groups, and industry should all be invited to participate in a process to identify

measures to facilitate capacity expansion. For such a process to succeed, there would have to be credible actions ongoing at the same time to spur increased conservation. But that is if that is possible. I believe that such a process would identify the current barriers to building additional refining capacity, such as permitting and financial disincentives. I would recommend that the administration immediately set such a process in motion, and that it issue a report to the Congress and the public within 6 months, identifying specific options for improving regulatory practices or streamlining permitting processes in order to increase U.S. refining capacity.

Third, the administration needs to review its policies regarding the operation and use of the SPR. Right now, we lack "rules of the road" for tapping the SPR that are clearly defined and clearly understood. As I have pointed out in previous letters to the Department of Energy, a clearer understanding of how SPR oil will be managed in a new environment of volatile markets and increasingly higher prices would provide more certainty to the market.

Fourth, when fuel prices are tight, product flexibility is crucial. If a region needs more gasoline than its refineries can produce, or if a refinery or pipeline shuts down unexpectedly, flexibility becomes the key factor in determining the speed at which motor fuels can be supplied from other regions to meet the shortfall and to dampen the price spikes to consumers.

The proliferation of boutique fuel specifications across the country has greatly reduced the overall flexibility and efficiency of our fuel system. It is a major factor in the increasing fragility of our fuel system to price spikes.

The Clean Air Act authorized States to regulate fuels through federally approved State implementation plans in order to attain a national air quality standard. That was the right policy, but the implementation of the policy has been flawed. There are now dozens of different kinds of fuels being required by different States, all with Federal approval, leading to more than 110 different formulations of these boutique fuels throughout the United States. These 110-plus different fuel types make the use of existing transportation infrastructure for fuels much less efficient, and, correspondingly, more expensive to run. Those costs get passed directly on to consumers. The large number of types also limits flexibility in product distribution, particularly if a disruption occurs. Consumers pay for that lack of flexibility whenever there is a price spike.

The President's 2001 energy policy report directed the EPA to study "opportunities to maintain or improve the environmental benefits of State and local boutique clean fuel programs while exploring ways to increase the flexibility of the fuel distribution infrastructure,

improve fungibility, and provide added gasoline market liquidity."

There have been 3 years since that directive was given to the EPA, and as far as I know the administration has not taken any significant steps to reduce the growth of these boutique fuels. This is a major failing which we need to address at this time.

I believe it is time to take real action. The administration can do that. It has the authority under current law in each of these areas I have cited.

The President should direct the Administrator of the EPA, with technical assistance as needed from the Secretary of Energy, to require revisions of State implementation plans to reduce the overall number of fuel specifications by at least a factor of 5 and, preferably, closer to a factor of 10.

Finally, a recommendation aimed at preventing fuel shock prices in gasoline or other fuels would be for the administration to encourage the IEA, the International Energy Agency, to direct the strategic stock modeling methods.

The IEA monthly oil market reports are critically important to the global oil market. The supply, demand, and stock figures that the IEA projects each month literally turn markets. Energy experts tell us that the method the IEA uses to calculate monthly demand and supply figures is flawed, that it encourages OPEC to undershoot the market in terms of the amount of crude oil it supplies to the world. A revision of the strategic stock calculation methodology could fix this.

The root of the flaw lies in the fact that the current IEA market report treats stocks of oil in the major consuming countries as a fixed and variable amount. This treatment of stocks is not realistic. Its effect on IEA models is to bias toward understating the amount of oil OPEC needs to produce for the world market, the so-called "Call on OPEC." Recently it appears that OPEC has given great credence to the "Call on OPEC," in determining what it would supply to the market.

Further, key OPEC nations, such as Saudi Arabia, have at times interpreted IEA data to mean the IEA will not punish certain behavior by the cartel to maintain high prices so long as they meet these "Call on OPEC" levels.

Given the importance of this IEA forecast methodology, it is crucial it be based on the best possible real-world data and not on a static and unrealistic treatment of stock levels. A more real-world treatment of stocks in IEA oil forecast methodology would alleviate some of the tensions which many analysts believe is keeping crude prices higher than they otherwise might have been.

For this reason, I recommend the administration engage vigorously with the IEA to improve the realism of the models underlying its monthly oil market report. That change, though seemingly esoteric, could make a real difference, for instance, at the pump to Americans. The United States is a

leading member of IEA, so our ability to influence and improve this key market driver is very great.

Carrying out the 13 recommendations I have outlined today will help to relieve some of the pressure on our fuel markets that are affecting consumers, adversely affecting them and perhaps will continue to adversely affect them in the coming days and weeks. These recommendations could set the stage for a long-term improvement in our fuels security.

My colleagues should know that none of the 13 recommendations require new legislative authority from Congress. The President already has the power to implement these recommendations. I urge him to do so.

I put these recommendations in a letter to the President, a copy to the Secretary of Energy, and a letter I have sent today. I hope he will consider these commonsense and effective recommendations and take action on them. I will come back to the Senate floor once we receive a response to that letter and hopefully report on the progress being made to help bring down both the cost of natural gas and the cost of gasoline at the pump before this summer is on us.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from the great State of New Mexico.

Mr. DOMENICI. While Senator BINGAMAN is still on the floor, might I say, Senator, we have an energy bill pending that has received 58 votes in a cloture situation. Some like it. Some don't like it. You are somewhere in the middle and you want to change it.

I wonder, in light of your talking today, at least what I heard, positive about the problems and solutions, and I also heard a couple of comments that made me feel good—you think we ought to produce more from our public lands which is very good and I am very proud of that—I wonder why the Senator would not agree to a number of amendments so we can get the energy bill passed? Even if you were to say you need 13, you got 13 proposals, even if you agreed to 13—I don't know how many of those are legislative—but it would be helpful.

I wonder if the Senator has any thoughts about that.

Mr. BINGAMAN. Mr. President, in response to the question, first, let me say these are 13 recommendations that do not require legislation. These are all recommendations that I believe the President has full authority to implement and enact under current law.

The purpose of my letter to him and this statement today in the Senate was to urge he do right now what can be done under existing law to help deal with these problems.

As far as the energy bill is concerned, it is my view that if the majority leader wishes to bring the energy bill to the Senate floor and is willing to allow Senators to offer amendments, then we should certainly proceed in that way.

I don't think it is realistic, and I certainly told my colleague from New Mexico and others this repeatedly, I don't think it is realistic to be requiring Democratic Senators to limit amendments at this stage since the bill that will be coming to the floor was written without the input of Democrat Senators.

Mr. DOMENICI. Might I say, Senator, your concern about the impact has gone on so long that one wonders how much impact you really need. We did expose this entire proposal, put it online so everyone could see it. Maybe your staff or you did not see it, but we did that as a new way to expose it. Then we had a meeting and you had every opportunity to offer amendments. And you did.

You and your staff somehow got in your craw here that because you were not sitting around the table when it was drafted, that is justification for you to remain against this bill.

Let me state, it is not BILL FRIST's problem that we do not have this bill. Has the Senator seen what happens to bills that have an open end on amendments? I think the Senator has. The Senator is a very good Senator. They get nowhere because all kinds of amendments are offered. That is what will happen to this bill.

I say to the Senator and his staff, you can offer 25 amendments around to people so they can offer them. They are not very important, but they can offer them. I say to the Senator, I did not mean you would, but that can happen, and they would not be important. They would make us vote on them, and we would get no bill.

Now, the minority leader has been urging we move ahead. I am very proud of him. He has been urging that you limit the amendments, and it is on deaf ears.

So I say to the Senator, I want to tell you, in all honesty, for you to come down here, having had your people research and blame the President of the United States for these problems—which is essentially what you have done—you have found everything that somebody thinks the President could do, and you listed them. I am going to go look at them—because it is not the President's responsibility—and I am going to come down here and answer them.

I believe what we are going to find is that this country is dependent, and we will stay dependent if we do those 13 things you have listed that do not require any legislative assistance.

I thank the Senator.

Now, having said that, I would start with a chart, if I had one, saying what the Senate can do, in cooperation with the House, instead of what the President can do. Then I would say, the Senate does not want to do anything, and then I would say, some Senators want to do things; and I would name them. Then I would say, but some do not; and I do not know if I would name them, but you could conclude who does not want to.

Now, I want to tell you, you can give all the speeches you want about the crude oil dependency of the United States. That is what makes gasoline. I do not think anybody, sorry to say, including my good friend from New Mexico, has a real solution to that problem.

We are 70-percent dependent, and it is growing. If anybody thinks they have a solution to that problem—I understand some people say, why, the President, he ought to get these countries around the world to produce more. Well, the President is not a miracle man. They do not want to produce more, because if they produce less they make more money. What are you going to do about that?

The only one that maybe would is Iraq. If they get over this problem, maybe they will say: Boy, we need a lot of money. We will put more crude oil on the market. But I will bet you, if they do, somebody will cut production. What can the United States do about it? This is not America doing it; it is some foreign country.

So we hear more and more people say we ought to stay out of foreigners' business; right? They are against anything that would be involved. I am not suggesting that we be involved in any fisticuffs-type way, but I do not see how somebody, including the President, can fix that problem for the time being.

I am very hopeful some of the price spikes that have come with new regulations—and I am not saying it is the entire add-on, but it is significant—will kindly stabilize and will not be adding to it.

I do not have it with me today, but if I speak again I will put it in: How much of the cost increase is ours because of new additive requirements to gasoline, especially in certain huge States? I am not opposed to that, if that is what they want. That is what we voted on. But if that causes a 10- or 15-cent increase, then we ought to know about it. It is big. It is not the whole thing.

Let me repeat, there is nobody who has come up with a solution—whether we bring the Democrats into the hearing or whether we did not or we bring them in the way we have—we do not have any proposals of any significance that show us how to get more crude oil of any substance. That is why it is most important and almost ludicrous when people write editorials about this Energy bill and they start off by saying it does not do anything about gasoline.

Well, the only thing we can do about gasoline is, one, have less cars in America. Wouldn't that be nice? You try to do that. How many votes are you going to get? Ration cars in America; it is a new bill. It would not get one vote.

The other way is to mandate that we use littler cars. We tried. I am not saying I did. But we voted on it.

What am I supposed to do as chairman of the Energy Committee? The

Senate does not want to do it. They say what we are doing now is moving in the right direction and we are not going to do anything else.

So the President says, well, at least get started with a hydrogen engine. We did that in this Energy bill. We put in a lot of authorization money, and we are probably going to spend a bunch of it telling the major car companies: Produce, produce hydrogen cars or the next generation of cars, and we will be your partner. Now, that is not bad.

Having said that, let me say what I would like the Senate to be part of. What the Senator from New Mexico would like the Senate to be part of is to produce a bill that says to the American people: We got in trouble once by depending more and more and more on crude oil, until today it is gone. We are never going to get this back down to the 50-percent figure that the occupant of the chair used to talk about. It is gone.

But do you know what? Our people are getting burdened by something else called natural gas. If they do not use natural gas in their house and have seen the increase, let me tell you, it just so happens that natural gas is a tremendous product. Do you know what I mean? It has tremendous uses. We are sitting around waiting for 13 new powerplants in America.

I see present on the floor a Senator who used to come down and talk in favor of coal and the coal miners. Well, any growth in that is gone, except if this Energy bill passes it is not gone because there are tremendous resources put into developing new technology so we can use some of that.

But, in the meantime, every single powerplant is waiting around to guzzle up natural gas. What do you think that is going to do? Bring the price down? Of course not.

That is electricity. What else do we use? Has anybody bought fertilizers? Are there any farmers in the Senate? There is one sitting here to my right. What has happened to fertilizer prices? Mr. GRASSLEY. Doubled.

Mr. DOMENICI. Doubled in 1 year. Is that right? Doubled.

Now, there is nobody asking for an antitrust evaluation, that somebody gyped them. These companies just put out the reality. A big portion of fertilizer is natural gas or the products therefrom.

We can do something about natural gas. We do not have to sit around saying the President ought to do it. We ought to do it. Shame on us. It is right there in this Energy bill.

One, do you know where a lot of natural gas is? It is ours. Alaska. This is not ANWR. This not an anti-environmentalist issue. We ought to produce it. But it does not do any good to produce it because you have to use it. So you have to bring it all the way from Alaska down here and use it.

What does the Energy bill say? It says we are going to help make that happen. In fact, the contracts to start

the drilling and start the pipeline to bring it down here will start within a very short period of time after we get an Energy bill.

What will that be? It will be that three major companies will begin the exploration and development of natural gas, and a pipeline to bring it into America and right into Chicago, IL.

We sit here with each day passing and we cannot do that because we cannot pass an Energy bill. My friend says: Well, we want to let everybody vote. Everybody has had votes, it would seem to me, on something as important as this. We could ask the Senators, how many votes do you have? Then at least we could tell our leader it is not going to take forever. We have a limited amount of time.

He doesn't want to bring it up and take 3 weeks on it. The minority leader has been telling this Senator we are going to get it done. He has heard me be rather questionable, not of him but of the reality.

In addition, on natural gas, there sits off our coast a huge repository of natural gas. It doesn't belong to Saudi Arabia, Kuwait. It belongs to us. We know it is there. But it is super deep. It is not like the other wells we have drilled on the coast. It is super deep. Guess what. It has a huge royalty on it they have to pay America when they produce a barrel or whatever the unit is of natural gas.

This Energy bill says that is too much. What would they do if we cut it? Do you know what we would do? The energy companies say they would start drilling because they would be rather assured that with the risks that are there, they will come out pretty good.

We sit around and complain. There it is, sitting in the Energy bill, nobody does it. That is two.

A third one was alluded to by my friend Senator BINGAMAN, although I think I would disagree as to the scope, but he says we ought to produce more off our Federal lands. Let me tell you, the Federal lands belong to all our people. We go out there and find oil or natural gas, and guess what happens. Big complaints. We should not be touching America's great property. We should not touch that surface. It should be there forever because it has been there forever. They don't let us do it, so we are stuck with pretty much the inventory we have had.

At least the bill expedites the drilling, expedites the permitting, expedites the production. And why wouldn't we pass that? Because we don't want an Energy bill. Because we have something stuck in our head somebody didn't get a full opportunity to participate in it. Maybe we ought to call another meeting of the Energy Committee and bring them all in and let them all participate and then report out the bill. Then they at least wouldn't have that constant drum-beating which they even take to their conference to tell everybody, the committee Democrats got shafted.

I have told you all more than one time that is not true. Besides, if we had done what they say, which we didn't, I ask Senator GRASSLEY, how many times have bills been produced when Democrats were in power and Republicans—where the conferees produced it unilaterally? Does the Senator know of any? Many times. Many times Republicans produced a bill and then called in the Democrats and there is an argument and maybe they make a change or the Democrats when they were in control produced a bill in conference.

Isn't that right?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. Or they issue it. They go to the press and say, we are finished. And sometimes nobody even knows what they did. That is not the case with this bill. They knew what we did. If they didn't, they weren't paying attention. We told them where it was, and it was all on the Internet. We tried something new. We put it on the Internet.

The third thing we ought to do is take a real look, although this Senator hates this, that we are going to end up dependent more and more upon foreign countries for natural gas. I tell my friend, we are now dependent on crude oil. We will be here, if we don't do something, saying we are now over 50 percent dependent upon natural gas. That is generally called LNG, liquefied natural gas. It is hard to do. It causes accidents. It wouldn't be done unless the price is very high. But in recent months, imports of this have popped up into terminals in Eureka, CA; Harpswell, ME; La Jolla, Baja, CA; Mexico; Mobile, AL; Vallejo, CA; Searsport, ME; Falls River, MA. Every single one has been blocked by local opposition.

I think local participation is terrific. But I also think having enough energy to run the country is terrific. And I don't like the idea we are going to have LNG, but we are going to have lots of it. How many natural gas powerplants will be built, I ask my staff, when we finish this bill? Almost every future one, whatever the number, will be built from natural gas. We have already built a number of them, so it is the number built and all the future ones. That is a monster gobbling up of natural gas.

This bill says, we can't do much about that. We can't stop it. But we can produce alternative sources of electricity, the source that runs electrical powerplants. We can have a clean coal program that for the first time does it right, and clean coal can be used some places in our country that won't have to use natural gas.

Before we are finished, we might get to the point where under certain circumstances we could try a nuclear powerplant to see if we are not ready, after years of delay and years of ridiculous objections, to get one.

There are many more things to say. But I want to say that to come down here and have charts saying the Presi-

dent of the United States isn't acting and if he would, he is the one who ought to fix these problems is belied by the fact we can't vote on an Energy bill in the Senate. If it isn't good, amend it. The problem is, most of the things in this bill people want. They want them sufficiently to have a majority vote. I know that because I didn't put this bill together in a vacuum. We asked people.

I forgot to mention by coincidence a great big spectrum of the American economy gets helped by this bill. There are probably 40 Senators who don't like it, 42; 58 love it. That is, the production of ethanol from corn and related products. Here sits Senator GRASSLEY, one of the leaders in that cause. He isn't leading that cause just because he is selfish about corn growers. He is leading that because it is a good policy to produce a substitute for imported crude oil. But we have a farming industry we are constantly having to bail out. We do a bill, and if 3 years pass without two emergency bills in the billions, then I haven't been here. I have been hiding under a seat.

If this happens, it would add a third leg to the production of these kinds of products and the stabilizing of the price. Why don't we do it? There are plenty of votes. But we don't want to vote on this Energy bill. Why don't we want to vote on it? We hear the same old thing, Democrats weren't in the markup on the conference, and they should not be burdened with having to vote for it.

It has been on the floor. It has been voted on. It was put on the Internet. I don't know how much more we can do. That no longer ought to be an excuse.

I want to beg, I want to beg Senators on the other side, I want to beg Senator DASCHLE to get Democrats to agree, and Senator BINGAMAN, to a reasonable number of amendments. A reasonable number of amendments will get all the issues they want, that you want, if you want to offer amendments, get all the issues you want. I don't think you have any. But if you can't get it up, what good does it do; right?

We don't know if there are 20 amendments or 50, but we think a reasonable number will address the controversial issues in this bill. In fact, you let me go out of here, tell me, Senator, bring back the controversial issues, and I will bet you we will come so close to what they really will be it will shock you. We know where the concern is. We know why people in their interests don't want this bill. That is the way it is. If you come from a part of the country this doesn't help enormously, you have been trying to do an amendment and you don't win. Is that new? How many times have you had that, Senator GRASSLEY?

Mr. GRASSLEY. Very frequently.

Mr. DOMENICI. You have a bill and you work on it, and Senators quickly run down and say, my gosh, this isn't going to help my State. But you cannot fix them all. So you proceed. They

lose most of the time, but they never give up. On and on. That is all right. But it ends.

I would like the bill to get called up. I would like us to vote on it. I would like the American people to know the contents of the bill. I have given you some today, and I hope what we will do each day this week and next week will bring down six or eight of the major policies, big ones.

In this country, you cannot build new electric lines in certain places. You end up with what is called gridlock. You come this far and you run into a State on the other side that says you cannot get any right-of-way under any circumstance unless the people agree. They are not agreeing. Why should they? They don't want a pipeline, but America needs it—or an electric line.

You know what we did in this bill, what I did as chairman? I got the majority, including Republicans, to agree you go about your business trying to get that done. But after a period of time, if you cannot, and it is found to be in the best interest of America, FERC will condemn you on it. We haven't gotten too much guff on it. A lot of people say, don't get the Federal Government involved. Who is going to do that? If we come up to that line, OK, if you want more electricity, where are you going to get it? That is a lot of places. It is fixed in this bill. I cannot do any more. There are a lot more and they are pretty good. Yes, some are not so good.

Senator GRASSLEY has made a big push for wind energy. One would wonder why CHUCK GRASSLEY, chairman of the Finance Committee of the Senate, would do that. But his State has made a push for it. This bill has a major new emphasis on wind energy. It is terrific. It continues the subsidy we have had that has brought this industry into motion. But do you know what? It is going to stop because what is needed to keep it going is in this bill.

It is the same for geothermal and solar. I don't know what else to do. I have left it alone for a couple of months, thinking maybe somebody would do something. All I can do is, sooner or later, come down and say it is just not right—not right for our country, not right to blame other people when it is right smack in our lap. So I think we ought to get it done.

I yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The pending bill is S. 1637.

Mr. BYRD. Mr. President, I note the presence on the floor of the distinguished Senator from Iowa, Mr. GRASSLEY. May I inquire through the Chair, is the Senator here to speak on the bill?

Mr. GRASSLEY. No. Right now I am not going to.

Mr. BYRD. I would be happy for him to proceed if he wishes.

Mr. GRASSLEY. I am going to wait a while, because I have spoken so many times, I ought to give other Members an opportunity.

Mr. BYRD. Mr. President, has the Pastore rule run its course?

The PRESIDING OFFICER. Yes, it has.

SPRINGTIME IN WASHINGTON

Mr. BYRD. Mr. President, it was not long ago—just a few short weeks, in fact—that Washington was cloaked in the somber palette of winter, a *chiaro-scuro* of black, charcoal, burnt umber, and paler shades from snow white to icy slush.

In the bleak mid-winter
Frosty wind made moan,
Earth stood hard as iron,
Water like a stone;
Snow had fallen, snow on snow,
Snow on snow,
In the bleak mid-winter,
Long ago.

Thus wrote the nineteenth century poet Christina Rossetti.

Despite the threat of a last snowstorm here, and large snowstorms in the Northeast, today presents a very different picture. It is as if an old black-and-white photograph has been gently tinted by a master's hand. A soft, green mist has crept over barren fields and dormant lawns. A rosy blush, tenderly applied, warms the tree tops with the buds of new leaves. Spangles of color, royal crocus and cheerful daffodil, sparkle among the decaying leaves. Iron-hard earth, now pliable, exudes the lush scent of fertile earth, and water, released from its frozen prison, gushes merrily over the stones. The stark infrastructure of life, the bare branches and simple undulations of the earth, are transformed each day by the miracle of the awakening season that even a temporary return to colder temperatures cannot stay.

As Robert Burns wrote:

Again rejoicing Nature sees
Her robe assume its vernal hues,
Her leafy locks wave in the breeze,
All freshly steep'd in morning dews.

On this past Saturday, March 20, Spring began. I am always glad to welcome it. Erma welcomed it, too. As the Earth fills with life, we can each share in that sense of renewal. Like the plants around us, we can take in the energy of the Sun and transform it into energy and enthusiasm for life.

It feels so good to take a few minutes to take a walk with my little dog, Trouble, or Baby, as I have nicknamed her—to take a walk or just stand and bask in the warmth of a sunny window and feel miles away from the pressures of work. To see a flock of robins busy on the lawn, keenly listening for the subterranean noises of an earthworm, takes me back to boyhood dreams of sunny afternoons long ago spent rediscovering the outdoors after a winter spent inside. The soft song of the whippoorwill recalls those first nights sleeping with the windows opened wide, cool breezes fanning the curtains, and the smell of sheets that had been dried

on a line with clothes pins—remember the clothes pins? I can smell the earth of a newly tilled garden on a hillside, a lovely scent in the early days before the weeds come on strong.

As Mary Howitt wrote:

Buttercups and daisies,
Oh, the pretty flowers;
Coming ere the spring time,
To tell of sunny hours
When the trees are leafless;
When the fields are bare;
Buttercups and daisies
Spring up here and there.

This year there is so much to distract us from the simple pleasures of a springtime afternoon. The omnipresent undercurrent of terror threats, the ongoing military operations in Iraq and Afghanistan, the difficult budget and trade issues, and the building election battle—all of these vie for our attention, and all of these deserve our attention. But spring does put all of these great issues into a larger context, reminding us of the permanence and the adaptability of the Earth and the even-paced cadence of life. For all that men do to each other and to the Earth, the seasons continue to roll onward, inexorable.

We, too, would do well to take a longer view and spend our effort against the long term, like a gardener planting perennial flowers or carefully sitting a young tree, mindful that it will still be growing many decades hence. We must not be deterred by short-term setbacks or be daunted by the size of our problems. With discipline and consistent effort, we have beaten large deficits before. We have survived greater wars before. We must focus on our Nation like a good gardener focuses on his plot, improving the soil, pruning the weeds and deadwood, adjusting our seeding as conditions change, always mindful that a good effort this year builds toward a good harvest and a better year next year. The Nation we want our children and grandchildren and great-grandchildren to grow up in is like a well-tended garden—rich and productive, vibrant with life and opportunity, a place of beauty for all to admire and emulate.

Who loves a garden
Finds within his soul
Life's whole;
He hears the anthem of the soil
While ingrates toil;
And sees beyond his little sphere
The waving fronds of heaven, clear.

Thus wrote Louise Seymour Jones. She captured well the closeness to the Creator that being in nature brings. Even within the fortresses of stone, concrete, steel, and glass that surround us in Washington, spring finds ways to lighten our hearts. The pansies that smile at us from flower beds outside, the dandelions that invade even the smallest cracks in the pavement, bring nature's message home—take heart, spring is here at last. And to those facing the deep drifts of late season snowstorms farther north, be patient. Spring is coming.

Surely as cometh the Winter I know
There are Spring violets under the snow.

So observed R.H. Newell. In the Northeast, then, there must be a sea of violets waiting for the melt.

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

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

The Senator from New Hampshire.

Mr. GREGG. Mr. President, first, I appreciate the Senator from West Virginia reminding us that spring is going to come, soon we hope. It is always a pleasure to have his spring speech. It causes us to spring forward with enthusiasm.

The reason I rise today, however, is to address this issue of FSC, which is the tax bill that recently was not allowed to go forward because of failure to get cloture. Cloture, of course, is a weapon that can be used by the minority in the Senate for the purposes of avoiding acting on legislation. It is a very legitimate tool, and it is something that has historically served the Senate well. But its purpose should not be to stop legislation which is critical to American workers.

The FSC bill, if it is not approved, will lead directly to the loss of jobs in the United States. We have, regrettably, found ourselves in a situation where the World Trade Organization, to which we are a signator and in which we participate, has ruled that we, as a nation, are in violation of the rules of international commerce.

We fought this case aggressively. We used our legal rights. We lost in a court of jurisdiction, which we acknowledge and which we respect.

As a result of losing that case, it is very clear the European Community, specifically, has the right to assess tariffs, duties, or penalties against our products as they move into Europe. The practical effect of those duties is that our products will be less competitive. The practical effect of them being less competitive is fewer of them will be sold. The effect of fewer of them being sold is that fewer Americans will be employed to produce them. The bill before us today is a jobs bill.

So why was the weapon of the filibuster used against it? Why would the Democratic membership of this body, many Members who have come to this floor on innumerable occasions, lament the state of the economy, lament the actions of this administration relative to the issue of the creation of jobs, expressing at least formal concern, if not substantive concern, about the fact that the economic recovery that we are participating in has not created as many jobs as historic economic recoveries usually create? Why would the Democratic Party in this Congress, in

this Senate, bar our ability to pass a bill which would correct a problem which, if not corrected, will lead directly to the loss of American jobs? It makes no sense at all.

The only reason they appear to have done it is because they wish to make a political point on an issue which is tangential to and not related at all to the issue of the jobs which will be lost as a result of failure to pass this bill which corrects tax policies and gives relief to the workers who will lose their jobs if this bill is not passed.

It is purely a political decision on their part to try and highlight their concern about a regulation which is being issued in the Labor Department, which has not yet been finalized but which they believe is an inappropriate action. This regulation deals with overtime pay and the attempt by the Labor Department to straighten out what is a morass of regulations on the issue of overtime pay, which has led to a litigation frenzy and has also created significant costs in overhead to the community of entrepreneurs in this country who are trying to create jobs for Americans.

Independent of that, this regulation has no bearing at all on the WTO case, on the duty issue, and on the jobs which will be lost if this tax bill is not passed.

This regulation is not even in place yet, has not even been formally written yet. We do not even know what is in it in its final form. Yet the Democratic membership of this Senate is willing to hold up this bill over a regulation which is not yet finalized, the language of which we have not yet seen, in order to try to make a political point, which political point is costing Americans jobs because we cannot respond to the ruling of the WTO and create an atmosphere which will allow our people to sell overseas without being subject to a punitive duty.

I think this action is callous on the part of the minority in the Senate. This action of using the filibuster to stop this bill, which would allow more jobs in America to be created, is callous because it is so politically motivated. Its only purpose appears to be to make a point on a regulation which is not yet even finalized. So we find ourselves in a position where for literally months Members of the other party have claimed that this administration's economic policies have led to a jobless recovery. Some of them do not even admit that we are in a recovery, but to those who are honest enough to say we are at least in a recovery, they say it is a jobless recovery, and they come to the floor and claim that this administration has no sensitivity to the needs of American workers because of this jobless recovery. Yet at the same time they filibuster a bill which, if it is not passed, will absolutely lead to the loss of jobs in America, manufacturing jobs specifically.

So one has to question whether all the presentations on this floor which

have occurred before now, which have claimed concern that the jobless recovery is affecting America and is inappropriate and that this administration is not doing enough in the area of creating jobs—one has to wonder if all of those claims were not crocodile tears because if they were legitimate, if they were real, if there was a real concern about the creation of jobs on the other side of the aisle in this Senate, this bill would not be blocked today.

It is incomprehensible that a bill that should have gone through this Senate with no opposition, a bill that should have passed almost perfunctorily to address the adverse decision of the WTO against us, but in order to correct that problem so that the duties which are going to be levied against our manufacturers would not occur, that that type of bill would have been stopped and would have been stopped over such a political exercise. We have already voted on this issue relative to the Labor Department regulation once, and the regulation still is not final. Are we to continue to vote on it with all legislation that comes before the Senate or should we not take the proper approach, which is let the Labor Department make their finding, let them issue their regulation, the final regulation, and then once we have had a chance to actually read the regulation—I know that might come as a shock that some people would like to read the regulation once it comes forward—then if the other side of the aisle still has concerns about it, there are a number of courses of action they can take, including an expedited procedure to repeal the regulation which we have as a matter of process in this Senate.

To hold up this bill over a regulation which is not final, the language of which this Senate has not had a chance to look at because it has not even been printed—this is a bill that will directly impact the ability of Americans to hold and keep their jobs—is a callous and inappropriate action by the other side of the aisle, purely politics.

Yes, we are in a Presidential season and, yes, we all are sophisticated enough to understand that much of what happens on the Senate floor and the Congress for the next 8 months will have huge political overtures and tinges to it, but on this issue, where there is no legitimate difference of opinion as to the need to pass this bill, or there should not be, on this issue which is going to have an immediate present impact on people whose jobs would be lost as a result of these duties being levied on this bill, we ought to set the politics aside and pass the legislation.

The filibuster ought to be stopped. We ought to move forward. It is time to move on with this legislation.

I yield the floor.

THE PRESIDING OFFICER (Mr. CORNYN). The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I thank my colleague from Iowa for the bill he has put forward, the JOBS bill.

I want to take a few minutes to talk to my colleagues about the impact of this bill, if we can get it through. I am very disappointed we were not successful on the cloture motion.

In relation to the impact on jobs, particularly in rural areas, such as in some of the areas of my State of Kansas, the chairman has done a masterful job of crafting a jobs bill that is a true jobs bill. It is going to create jobs.

Let me give you a couple examples that will have a direct impact in a State such as mine in the manufacturing sector. That is the area in which we are trying to create jobs. One of them is in the aircraft industry. He extends the service rules on bonus depreciation for 1 year. That is to say, if the product is put in service a year later, we are going to still be able to use the bonus depreciation.

You may say: Well, big deal that you can do that. In the business of aircraft manufacturing you need some time. It takes some time to build the aircraft. It takes time to order up all the subparts. My aircraft industry people—which fan out from Wichita to several surrounding States—say by putting in a bonus depreciation last year, they tripled the level of sales they had prior to that. And by extending the bonus depreciation time period of putting the airplane actually into service, we are going to extend that life expectancy for us to get increasing aircraft sales. They say this is a must thing for them to increase and to continue the trajectory back into job creation in aircraft manufacturing.

The chairman put this in. There is a zero cost associated with it in the bill. Absolutely, without this we lose manufacturing jobs in Wichita and the surrounding communities that reach out to several surrounding States. It is in the bill. We have to have this or we lose jobs.

The other thing the chairman did that was magnificent that affects about 12 States in particular—this is going to be a key job creator in an area of the country where it has been tough to create jobs—has to do with counties that have been losing population. While the overall country has grown in population, and while my State of Kansas has grown in population, half of the counties in my State have lost population over the last 20 years.

As we have mechanized in agriculture, as agriculture has concentrated in larger farms, larger agribusiness enterprises, we have lost job opportunity, we have lost people in agriculture—the field I came up in, the field my parents and one of my brothers still farm in. But we have lost jobs in half of the counties, lost population in half of the counties in Kansas.

The chairman included in this JOBS amendment for the first time in recent history, if not the first time ever, some opportunities to be able to create jobs and economic incentives for counties that have been losing population. Key States that benefit are North Dakota,

South Dakota, Nebraska, Kansas, Oklahoma, Texas, Colorado, Iowa, Missouri, Minnesota, Montana, States that sweep throughout the Middle West. The Great Plains area has many counties that have lost population.

What did the chairman do? He kindly put in a provision we have started and put forward. We have a bipartisan bill called the New Homestead Act, creating economic incentives for people to move into areas that have been depopulated, and saying that a county, if it qualifies, gets this economic incentive.

To qualify, you had to have lost 10 percent of your population over the last 20 years. The New Homestead Act is a bipartisan bill we have been pushing for some period of time.

The chairman included the initial provision of a rural investment tax credit in the managers' amendment, as well as a qualified rural small business investment credit.

What would this do? These sections provide a credit with a present value of 70 percent of qualified expenditures on newly constructed rural investment buildings, and a 30-percent tax credit for expenditures on starting or expanding a business. These are in counties that have lost 10 percent of their population over the last 20 years.

I can tell you, as I have traveled across Kansas, as I have gone into those counties that have seen, year after year, population decline; that have seen, year after year, declines in their K through 12 public education schools; that have seen, year after year, younger people moving out saying: I would love to live here but there are no jobs; that have seen, year after year, people saying: Well, I guess that is the trend we are in—when they look at these economic opportunities to locate in a place that has been depopulating, they are saying now that is something that will work, that is something that is going to create some opportunity, some hope, jobs, and, yes, people moving back into these counties that have lost so much population throughout the High Plains.

This is a first step. It is not everything I wanted, but the chairman put it in the managers' amendment. This will create jobs and opportunities in some of the toughest areas in the country to create those jobs and opportunities—places that have been losing population, in highly rural areas, far away from urban areas, in places where we have not been able to put forward a decent set of proposals of something that is going to work.

We have for years put in place employees to try to create rural opportunities, to encourage people to move back to rural areas. We have tried to do a lot of different things. When I was secretary of agriculture in Kansas, I even worked with a group just to document and to list all of the rural development programs that are available to people in Kansas. We had a book that was a half inch thick of State and Federal programs that are targeted at

rural development and creating rural jobs. As we created all of those programs, we have still continued to see the population decline and the job opportunities decline and communities decline. People say: What are we going to do?

What we put forward was a bipartisan bill to create economic incentives such as we used in urban areas. When we were seeing the urban cores of our country losing population, losing economic vitality, we said, let's create economic opportunity. We did it in Washington, DC. We put forward a list: OK, we will have an enterprise zone, a tax credit situation in Washington, DC. We put in a \$5,000 tax credit for first-time home buyers to get people to move back into the area. We put together a series of economic incentives, and these have worked.

So for all those years we created these rural development programs, the thing we were not listening to was: How did people locate in the High Plains in the first place? The Homestead Act. Why did they go there? Economic opportunity. If I go out to this region, and I settle on 160 acres, and I stay there for 5 years, it is mine. We had millions of people move out to do that.

The New Homestead Act is trying to model that same issue saying, what is the answer? It is not a Government recruitment program. It is creating a series of economic incentives. And that has worked in our urban cores. It has worked in the rural areas before. It will work here again.

The chairman has it in his mark. Unfortunately, we are not getting this bill to the floor. We are not being able to vote on the JOBS bill. This has the starting edge of the opportunity to create jobs and economic vitality in a region of the country where we have had the most difficulty doing this.

I applaud the chairman for putting this in the bill in the managers' amendment. It is a start. We want more economic incentives in this area. It will create jobs and opportunities. We have to get this up to vote on it, to create these opportunities.

I am most disappointed we were not able to get cloture through so we could get a chance to propel this issue forward. I say to my colleagues who voted against cloture, at some point in time we are going to have to deal with this issue, with this tax bill. We are being hit by a trade case—everybody knows about this—from Europe that we have lost. We have to make these changes. At some point in time either the tariff against our goods is going to rise, rise, rise, and we are going to lose market, market, market in the process, or we are going to pass this bill.

So we are going to have to pass this bill. Why not do it now when we can create the incentives, we can create the jobs and the opportunities, do things such as a portion of the New Homestead Act that helps create these opportunities in some of the most dif-

ficult areas to create jobs and economic vitality and do it now and early when we can get some advantage out of moving this forward? I don't understand why we would want to hurt that.

I want to back up to an earlier point I made. I want to press this further. Going into 9/11, the aircraft production industry, the construction industry, the people who make aircraft—Cessna, Bombardier, Learjet, Raytheon, Boeing, the large commercial airliners—they were going into a soft marketplace because the recession was starting in the country prior to 9/11. Their orders were tailing down at that point. They are frequently a leading economic indicator of what is happening. As corporate profits were going down, a lot of their orders were going down. As the airline industry was not making money, the aircraft purchases, the orders that were coming to Boeing were going down. Then we had 9/11, and it was a brick wall. It fell. Business in aircraft plummeted at that point in time.

What we saw in the aircraft manufacturing industry was a precipitous fall off of employment of 30 percent across the board. Not quite everybody, but virtually across the board had big layoffs. I was meeting with the industry and asking what can we do. And they were saying: We have to get the economy moving forward again. We need to make sure these jobs don't move overseas because when we have a difficult situation, there are always people around the world trying to get aircraft manufacturing jobs. They are the highest wage, highest skilled manufacturing jobs in the country. A lot of places want them.

They were saying: We need to work to make sure we have enough research dollars getting out the next wave of products so when the industry turns back up, we will be there with the new products that are better, that fit the needs of our customers more. So we put more money in research. And we did that this past year. It was an important thing to do so we don't get somebody else technologically jumping ahead of us and taking the industry over.

This last year they said to me that an absolute thing we just have to have now to get the industry to take off is bonus depreciation. With that, we will be able to make airplanes sales. Without it, we will not. We were able to get bonus depreciation on business equipment, which included aircraft used in business and business purposes. True to their point—they have shown me the sales numbers—their sales numbers tripled from the point in time when we put in a bonus depreciation. As people looked at the bottom line of the cost of the aircraft and they figured in that bonus depreciation and it dropped the total expenditure they were going to have to pay, sales soared. It kept them from laying off more people, and it gave some spunk to the industry. That is a great manufacturing industry. That was working and working well.

But then they started running into a problem that they were getting the sales, but they had to put the aircraft into service by the end of this year. By the time you place an order and are able to make the aircraft and deliver it, they were hitting timelines they could not make. This is a very complicated piece of machinery. It has to be done exactly right. It takes time. They would get the order, but their production schedule was such that they were not going to be able to get this into service by the end of this year, December 31, 2004. They were pleading with me and Members of this body saying: You have to extend that date of service in a year so we can continue to get these orders in and then be able to manufacture them in time to be able to get them placed and used.

They were saying: This is a killer. If you stop this, if you don't extend this bonus depreciation a year for putting the aircraft into service, we are done. We can't take any more orders at this point in time. We cannot get the craft made by the time it has to be in service to qualify for the bonus depreciation. We have to have it or else you are going to kill the recovery taking place in the aircraft manufacturing industry.

I talked with the chairman a number of times. We got it in the managers' amendment. As I noted to my colleagues, it was scored at a zero for its fiscal impact on tax receipts, which is a great score. It doesn't have an impact on our budgetary situation or on our budget deficit. It only has a positive impact on employment. This is critical for manufacturing jobs in America.

Let me give you one example of this creation of jobs. Consider the example of Cessna, a great aircraft manufacturing company. It employs a significant number of Kansans in Wichita and the surrounding region. For each plane that Cessna builds, they create 21 manufacturing jobs. Using the Department of Labor aerospace workforce multiplier of three, each aerospace job creates three indirect supplier support jobs. That means for every aircraft that Cessna sells and builds, 63 jobs outside of Cessna are created on top of the 21 inside. This is all associated directly with bonus depreciation that is extended in this bill.

You have a series of direct high-wage, high-skilled manufacturing jobs you are going to lose if we don't pass this bill. Extending this placed-in-service date for bonus depreciation, which is what the substitute amendment does, means that equipment that has a longer placed-in-service period will continue to thrive and help provide and maintain jobs. We are just at springtime. We are just at the phase where this is starting to take off. And if you don't extend that period of time when it can be placed into service, you kill it before it can really do the good it needs to.

Everybody in this body and in this country is concerned about jobs, outsourcing or, rather, overseas migra-

tion of jobs. Here is a classic manufacturing job that overseas countries are seeking to take from us. And we have the direct opportunity to create and keep those jobs here, but we have to pass this bill. We have to get it through. It will have a direct impact on this. We have the numbers of what it has done. If we don't pass the bill, it doesn't happen. We don't get these sales of aircraft. We don't create these manufacturing jobs. They end up moving, if other places get established in this aircraft manufacturing business and they seek to do that, to Japan, Taiwan, China, Brazil. Other competitors seek to get these high-wage, high-skilled manufacturing jobs out of America and into their countries.

We have the bill at hand to help us stop that at zero cost. We have to do this. It is ridiculous for us not to do it. And the sooner, the better, so that more of those sales can be made.

If you put this bill off 3 months, and we still have to operate—this aircraft has to be placed into service by the end of this year, anybody trying to sell a business aircraft has to go out to people and say: You can order it and we will sell it to you now, and we hope bonus depreciation will apply to you. But we can't guarantee that today because the Senate has not acted. If the Senate acts, yes, we can get the aircraft manufactured. And you will have it in time with bonus depreciation. But unless the Senate acts, we can't sell this based upon bonus depreciation because we can't get the craft made.

If you do this now and make this change in this tax provision, they can start selling aircraft again. If you don't do it now, they have to go out to people and say: We think we will get this done. We hope we will get it done. But you can't bank on it. This aircraft, if you have bonus depreciation, it is at X price, but if you don't, it is much higher. What is it going to do to sales? You are going to freeze a lot of sales. If you freeze sales, you freeze jobs. You have to make the sale to be able to manufacture this aircraft.

Bonus depreciation will allow companies to depreciate an additional 50 percent of their new equipment in the first year of ownership. That was a key economic jobs growth component of the Jobs and Growth Tax Relief Reconciliation Act of last year. However, to qualify for bonus depreciation, the equipment must be purchased and placed in service before the end of this year. This is problematic for expensive equipment that takes a long time to manufacture, such as general aviation aircraft.

We have to get this done. This is a direct jobs issue in my State, in this region. Here is a classic example of what it does. I urge my colleagues who voted against cloture, for whatever reason, to reconsider it based on what is happening in their States and also based on these specific manufacturing jobs in the aircraft industry, or if they are one of the 19 States that have a substantial

area of their State that has lost population in the rural areas over the last 20 years.

My State has lost 50 percent. Some States in the country have lost up to 80 to 90 percent of their counties. If you are a State in that area, you would look at the provision that is the starting edge of this new Homestead Act—initial tax benefits—and try to attract capital, rural investment tax credit, into these declining population areas and say: I am going to have to pass this bill anyway because of the tariff issue with the European Union. Here is a provision that helps my region—and the sooner the better—on both the tariff issue dealing with Europe and the rural development issue.

Let's do it now, get it passed. I know we are in a political season and people jockey politically. But we should not mess with this bill. It meets the need everybody has been citing—the need for jobs and job creation. We should not mess around with this bill. There are plenty of other bills that one could hold up, for whatever political issue, and there are legitimate differences between the parties. This is not one that we can afford to do it on. It has a penalty dealing with Europeans, and it has a bonus dealing with us. We need to get this through now.

Mr. President, with that, I appreciate the opportunity to address these items as it affects my State.

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

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

Mr. REID. Mr. President, during the day, there have been a number of statements given about the importance of the bill upon which the Senate is now acting. I agree. We agree on this side that the bill that Senator BAUCUS and Senator GRASSLEY worked to bring to the floor is very important for our country. We think it is so important that we are willing to basically say, on the overtime amendment, Senator HARKIN would take only 10 minutes. The majority can take 10 minutes, and we will vote on it. There are a couple of other amendments, as we have discussed before. We did have 75 amendments. That list has been cut down to approximately 10, and there will be short time agreements on each amendment.

We can complete this bill very quickly. It is, as has been said on a number of occasions by various Senators, a bill that is important. I acknowledge that. This overtime issue is also important. I refer to the Wednesday—today—Congressional Quarterly. In this, the chairman of the Finance Committee indicates that he would prefer a vote. This is a direct quote:

I prefer to vote things up or down and move on.

He said:

My feeling is that sometime we have got to face this issue. So we might as well face it now.

Senator GRASSLEY is absolutely right. This issue is not going to go away. It is an issue that affects 8 million Americans. It is whether or not they are going to be paid overtime, whether or not the overtime is going to be taken away from them. We recognize the importance of this bill, but we recognize that we have an obligation to 8 million working men and women in this country, and we are going to do everything we can to make sure that we have the ability to vote on it.

In September of last year, there was a vote on whether the President should be able to move forward on this overtime proposal. The Senate said no. The House of Representatives voted, also by a large margin, approximately 225 votes, saying we agree with the Senate. They instructed their conferees to follow the Senate's lead. This is a matter stricken in the middle of the night without a single Democrat present, and that is not the right way to legislate.

Senator GRASSLEY is right. My feeling is that somehow we have to face this issue, so we might as well face it now.

There have been statements on the floor today that this overtime issue is not important; how could this issue hold up what we are trying to do on this overall legislation? I said it last night and I say again, if the majority thinks this is not a very important issue, then they have made their case; we have made ours; let's vote on it. I am convinced the vote would turn out just as it did last time. We would send a message to the President that what he is doing on overtime is wrong.

Also, there have been a number of statements on the Senate floor that are simply not based on fact. I guess this is an effort to separate myth from reality.

One myth that is floated here is that the Harkin overtime protection amendment would prevent the Department of Labor from issuing any new overtime regulations.

That is false. The facts are that the overtime protection amendment would allow the Department of Labor to issue any new overtime regulation as long as it did not restrict the eligibility for overtime pay. Overtime pay in this country has been the rule for more than half a century. Why suddenly do we want to take it away? That would be wrong.

Another myth that has been pounded on the Senate floor over the last few days is the amendment is not necessary because the administration has no intention of taking away workers' overtime.

Reality: The administration has been fiercely opposing this amendment since last summer, even pressuring the omnibus conferees to disregard the rules of

both the Senate and the House. If the proposed rules do not cut overtime pay, why would the administration be opposing this amendment so strongly?

Another myth: The administration's proposed rules do not cut overtime.

That is false. The Department of Labor's economic analysis shows these regulations do cut overtime. That is a fact. That is reality.

Another one of the myths floating around here that has been stated on a number of occasions: The Department of Labor's plan would not cut overtime for police officers.

That statement is false. In reality, the true facts are, if you talk to anyone outside the Department of Labor who has studied this issue, you will find a consensus that these regulations will hit police officers in their pockets. Police sergeants and low-level supervisors will lose their overtime pay under these proposed rules. The fact that a sergeant spends 90 percent of his time walking a beat will not matter if he performs any office or nonmanual work. This could mean supervising officers or filling out a shift schedule causes you to lose your overtime.

To confirm this, the International Union of Police Associations and the National Organization of Police Organizations agree this proposal will hurt their members. The Fraternal Order of Police submitted comments to the Department of Labor last year arguing that many public safety officers currently considered as nonexempt would be reclassified as exempt employees. This is under the proposed regulations. Secretary Chao has assured the Fraternal Order of Police that the Department does not intend to cut overtime pay for police officers. One thing we know for sure, the Department of Labor will keep that promise if the Harkin amendment is adopted.

Another myth: The Department of Labor has not proposed any changes that would harm nurses or medical technicians.

This statement is categorically false. In reality, the fact is, registered nurses and limited practical nurses who do not have 4-year college degrees cannot be denied overtime protection under a professional exemption. However, the Department of Labor has proposed changes in the criteria for a professional exemption. The Department of Labor's own analysis said, and I quote directly from the Department of Labor:

The proposed rule allows work to be substituted for all or part of the educational requirement for exemption of learned professionals.

In other words, a nurse with a few years on the job would be reclassified as an exempt professional, in effect saying you do not have a degree but we will consider you having a degree. The nurse—he or she—would lose their overtime pay.

Another myth: This administration is not trying to take away the overtime of blue-collar workers.

That is false. In reality, the fact is, if a worker earns \$65,000 a year, that

worker could be considered a highly compensated employee. In fact, \$65,000 is still a lot of money, but today it is the mean annual income of a white male worker in this country. So it is not really highly compensated in the true sense of the word. It is the person who makes an average living. Should not that person making an average living be able to be compensated for his hard work? Should he not be able to be rewarded for hard work?

If that highly compensated employee has any say-so whatsoever in the employment status of coworkers or has any supervisory duties, that worker could be exempt, that highly compensated employee who is also an administrator or an executive. So it does not matter if you do not wear a suit or pack your dinner in a lunch pail; if you earn the mean annual income and have any kind of supervisory responsibilities, you lose your overtime pay. That is a fact.

Another myth promulgated: The regulations would not affect carpenters, electricians, mechanics, plumbers, iron workers, operating engineers, longshoremen, or construction workers because section 541 301(f) specifically protects them.

Wrong again. In reality, the fact is the proposed section 541 301(f) states the obvious—that these occupations are not recognized professionals, but these workers could still be exempt as highly compensated employees or an executive or an administrator.

The fact is, this regulation does apply to carpenters, electricians, mechanics, plumbers, iron workers, operating engineers, longshoremen, and construction workers.

Another myth: The Department of Labor has nothing to hide.

In fact, no public hearings were held on these proposed new regulations. When Members of Congress found out about them, we immediately began fighting to block these regulations to protect the rights of 8 million workers to be fairly compensated for working overtime.

If there is a reason this most important legislation that we, the minority, think should pass doesn't pass, it is all in the hands of those people who, for reasons I do not understand fully—although partially—are unwilling to vote on overtime. They are unwilling to vote because they know the vote will show that the administration is doing something that is harmful, hurtful, and really bad for 8 million people who work in America. It is wrong. We need to send a message to this White House that what they are doing is wrong.

Mr. President, we know the administration has said they do not want to cut anyone's overtime. If that is the case, then we should adopt the Harkin amendment because that certainly would put into law what the administration is talking about doing.

As I said earlier, police are concerned about losing their right to overtime, and we are told the Department of

Labor, through Secretary Chao, has assured the Fraternal Order of Police that the Department does not intend to cut overtime for police officers. I repeat, the one thing we know for sure is the Department of Labor will keep that promise made by the Secretary of Labor if the Harkin amendment is adopted. I hope it is adopted. I hope we have an opportunity to vote on it.

If this bill is pulled down, it is not our fault. We have indicated that this legislation could have been finished easily by today. We have wasted 3 days on this legislation. Three days have been wasted. We have voted on one amendment, and that is all.

I hope reality, in the sense of what we need to accomplish, will be the focus of the majority leader in the next 24 hours, and we can work something out and move forward on this most important legislation.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I admire my dear friend from Nevada, but I have to take issue with him with regard to if this bill is pulled down it is not their fault. Let's be honest about it; the overtime regulations have been put out for comment. They are not in place. They are not regulations that are going to bind anybody.

They are put out for comment so people can write in and say what is wrong with them. I am sure every word that has been said by my friends on the other side is going to be taken into consideration by not only the Secretary of Labor but the whole Department of Labor.

Correct me if I am wrong, but as I understand some 81,000 comments have already come in either for or against this proposed set of regulations. Now, what our friends on the other side want to do is amend the FSC/ETI bill, which is a jobs bill, parts of which we have worked on for years in the Senate Finance Committee. I, in particular, have worked on the international provisions for years. It is being worked on in the House, led by Chairman THOMAS. We know if this overtime provision is added to this bill there is no way the House is going to take it. The House will refuse to take it for very good reasons, the best being the rules are not even put in place at this point. What they want to do is rigidify and tell the Department of Labor, which is the expert in this area, what rules to put in place and to do it all on a one-sided basis without taking into consideration jobs, the economy, other people's jobs, and the unfairness of aspects of the system, all of which are being considered during this comment period.

So by trying to add this provision to this bill, they basically are killing a bill that would, over the years, amount to hundreds of thousands, if not millions, of jobs. So it will be their fault if the jobs bill fails, and anybody who does not understand that is in grave error.

This is a cheap vote for those on that side because they do not care what the

Department of Labor does as long as it is more and more regulatory in favor of the trade union movement. I do not want the trade union movement hurt. There has to be a delicate balance, but they are consistently working to try to upset that balance. This is a perfect illustration of how that works. If this amendment is added to this bill, assuming we pass this bill, the House will not take it. That means the House will pass its FSC/ETI bill and not take ours. If the House passes its FSC/ETI bill and they do not take our bill, then there is another game being played by the other side, and that is they are being very selective as to which bills they will allow conferees to be appointed by the Senate so they can work with conferees from the House and come up with a conference report on which both Houses can vote.

So if we want to talk about fault, it is easily laid at the feet of those on the other side, and I think rightly laid there.

All this holy war on jobs that they have been raising, which is nothing but Presidential politics—and I think I can make that case in just a few seconds—they are basically undermining jobs in this country by not allowing this jobs bill that not only would save us \$4 billion in unnecessary tariffs by the European Union—\$4 billion that we can save for our benefit, which would create jobs, by the way—but also is preventing a bill that would create jobs, especially manufacturing jobs, which we are gradually losing because we are not competitive because we have not passed this bill.

Now they can make all the arguments they want about how important overtime pay is. I think sometimes those are good arguments. I think sometimes we ought to give consideration to the good arguments that are made, but we ought to do it after the regulatory process is completed and see what the Department of Labor does with the comments they are receiving, which is the way the real system works. The other side understands that.

So this is a political game during a political year, scoring what I think are ridiculous points on jobs, against a jobs bill that will make a real difference. They know that if they put this provision on this bill, it is going nowhere, and over time it is going to cost the American taxpayers at least 4 billion unnecessary dollars and a loss of hundreds of thousands, if not millions, of jobs.

So do not give me this business that we must do something about these overtime regulations right now because those regulations are not permanent or final, as far as I can see.

Right now we have one of the lowest unemployment rates that we have had in many years. I remember during the Clinton administration when unemployment was 5.6 percent, which is what it is today. They on the other side controlled the floor of the Senate, and

they knocked out unemployment compensation benefits. They took them away because they knew 5.6 percent is close to full employment because when we count those who cannot work, those who will not work, and those who would not take a job if you offered it to them, we have a lot of the American people who make up the unemployment rolls.

Having said that, let me be fair to my friends on the other side. There are pockets of high unemployment in this country where people are suffering. There is no question about it. There are some of our bigger industrial States where people are suffering, where there is a job problem, where manufacturing jobs have been leaving. I would like to suggest a few reasons why.

No. 1, we have not passed this bill because the other side keeps playing around with it and would not even let it go to cloture today, filibustering even the motion to recommit. We have learned this on judges. We have learned this on innumerable pieces of legislation. Once they decide to go ahead and be obstructive, unless we can make some sort of deal with them, then they will try to add amendments to the bill they know the House will not take. They know if we want to go to conference because the House passes a different bill, then we cannot get Senate conferees appointed under the guise that they are not being consulted when it comes to conferences.

They should have gone back to those years when there were 62 Democrats and only 38 Republicans and we were never consulted unless we were the liberal Republican Senators. Yes, then they would not ignore the Jacob Javits of this world or some of the others who were extremely liberal, who were as liberal if not more so than they were, but discount any conservative being considered for any ideas or any conferences. It was run lock, stock, and barrel with an iron-handed rule. I was here. I lived through that.

We did not mouth off and whine and moan and groan every step of the way like we are getting on this particular important bill. Nor did we always come up with phony amendments that basically should not be considered until the rule comes into being.

If there are, in fact, 81,000 comments about the rule, the Department of Labor is going to take those comments into consideration, modify the rule, and hopefully make it work for the benefit of mankind, for the benefit of this country, and for the benefit of jobs.

So to stand here and say we will not give them a vote on this very premature amendment, which we know would kill this bill, is disingenuous at best. I get tired of this. I have been here 28 years, and I have never seen it worse than it is right now. These are little stupid games that are being played. I have seen it played by both sides, and I think it is despicable. But

that is what is going on. Frankly, we have had nothing but that since we have taken over. There is a feeling on the other side that President Bush was not even legitimately elected, even though he was. I can make the best case for why we need the electoral college and did make it back when others thought they were going to pass the so-called election reform constitutional amendment. It lost overwhelmingly because when people understand the great nature of our system, they are not going to take some of these two-bit solutions that would change our Constitution in ways that literally undermine everything for which it stands.

This JOBS Act is an essential component in the agenda to accelerate job creation. American exports are being jeopardized by European tariffs. I have mentioned that. In January of 2002, the World Trade Organization authorized the European Union to impose tariffs on nearly 100 types of U.S. exports if a tax provision known as FSC/ETI was not repealed.

That is what this is all about. We have worked our guts out on the Finance Committee to repeal FSC/ETI so it is acceptable to the EU and to the WTO, so we don't suffer trade sanctions and all the jobs losses that go with that. People wonder why we are losing our manufacturing establishment. It is because of high taxes. It is because of more Government regulation. It is because of ridiculous arguments we hear from the other side on elements like this, where this amendment is so premature.

The punitive tariffs started at 5 percent on March 1 of this year, and they are scheduled to go up 1 percent each month until reaching 17 percent in March of 2005. The net effect of the new tariff would be to raise taxes on exports by 3.8 percent, jeopardizing \$4 billion of U.S. exports and, I might add, job after job after job, which the other side claims they are for—jobs, that is. They are undermining one of the most important jobs bills in the last 15 years.

Among the U.S. sectors facing retaliation if we do not repeal the offensive FSC/ETI tax provisions are agriculture and food, wood and paper, textiles and apparel, glass and precious metals, iron and steel and manufacturing.

The Joint Committee on Taxation says 89 percent of FSC benefits go to manufacturing companies. You wonder why some of these bigger States are having problems? It is because of ridiculous approaches to legislation such as we are going through right now. That is what you have committees for, to work their guts out and try to get these problems solved in a bipartisan way. The JOBS bill is a bipartisan solution. I know; I helped to write the bill, as have, of course, the distinguished chairman and so many others, including the ranking member on the committee and others on the Finance Committee whose names deserve to be stated.

The remedy is Jumpstart Our Business Strength, or the JOBS Act. This act brings U.S. exports in line with the WTO, saving American businesses the European Union tariff of \$4 billion over time. It creates a new phased-in deduction that would allow corporations, primarily those involved in manufacturing, to permanently deduct as much as 9 percent of their U.S. income from their taxable profits. That is equivalent to lowering their top tax rate from 35 percent to 32 percent. That will help keep our manufacturing jobs here.

It makes the deduction available to all businesses that manufacture in the United States, regardless of size or type. It targets tax shelters, and punishes the relocation of corporate headquarters to Bermuda and other offshore tax havens—something we have heard a lot of discussion about in these last couple of months from people on the other side of the floor. This helps accomplish what they have said must be accomplished. It imposes an excise tax on wealthy individuals who renounce their U.S. citizenship. It is about time we did that. This bill does it.

I have heard nothing but mouthing off from the other side. Here they have a chance of getting some of the things they would like to have. It is not in the wordage they want, which is more and more pro-union and less and less pro-jobs.

The JOBS bill is an important part of the jobs agenda, but Senate Republicans are looking into creating more jobs with a number of tools. The Senate Republicans' accomplishments are helping to put our people to work. I have to say in supporting this bill it is not just Senate Republicans, it is also a number of Democrats, Senators from the other side, who have been willing to open up and do what is right here, led by the distinguished ranking member on the Senate Finance Committee, Senator BAUCUS, who I hope will stand strong on this bill.

What we are trying to do is encourage entrepreneurship. We have done it by passing a strong small business administration bill. We are trying to improve infrastructure and create jobs through the highway bill. We are introducing new worker training incentives with the workforce investment bill. We have initiated a blueprint for responsible spending by passing a budget in the Senate, the earliest passed budget in history. We have extended unemployment benefits for the jobless and we have kept taxes low, created jobs, and we have grown savings and investment by enacting the jobs and growth bill.

On the "to do" list we are working on, we are working to prevent future tax increases on the marriage penalty, the per-child tax deduction, and the 10-percent low-income tax bracket. We want to stop those increases that would occur if these provisions expire. We want to create and protect American jobs by passing an energy bill which has been stymied by filibuster—

again, another one. We want to create jobs and defend against junk lawsuits by passing class action reform. We have 62 votes for that, and we had 3 Democrats agree to support that bill—which means against all amendments, unless those who made the deal agree otherwise. Now we are finding they are not living up to that.

We have always had around 58 or 59. The last time we voted, we had 59 votes in the Senate—again, another filibuster stopping a jobs bill.

One of the most important ones is class action reform. We want to protect jobs, pensions, and shareholders, by passing an asbestos reform bill, but we have been told that will be filibustered as well because the unions don't want it, even though they are going to be the major beneficiaries of that bill the way it is outlined. We have written it that way, giving their workers the benefit of the doubt.

We are trying to create jobs by passing the Homeland Investment Act to encourage foreign reinvestment in the United States, and we are trying to create jobs by passing a strong economic development agency bill.

I can go on and on, but let me tell you, this filibuster of the JOBS bill is mind-boggling to me. We worked so hard. We worked in a bipartisan way. There is no reason any Democrat should say we haven't been fair to them. They may disagree with certain provisions, as some of them undoubtedly will, but overall it is a bipartisan bill.

I am very unhappy we were unable to get cloture today. When this bill first came to the floor it appeared to me the Senate leadership on both sides recognized the urgency and the importance of addressing this matter as soon as possible. Unfortunately, we quickly became mired in unrelated and partisan amendments. As many of our colleagues know, the European Union this month, as I said, began assessing 5-percent trade sanctions on certain U.S. exports because we have not yet been able to repeal the Foreign Sales Corporation, or FSC, and Extraterritorial Income Exclusion, or ETI, provisions that are in the Internal Revenue Code. So we are dealing with a matter of real urgency here.

This bill was reported by the Finance Committee last October. I believe it is important to note the strong bipartisan support this bill received in the Finance Committee. I congratulate Senator GRASSLEY, the chairman of that committee, along with Senator BAUCUS, its ranking Democrat, for their bold leadership in insisting this bill be bipartisan from its inception. This is a key attribute, because it is clear to me anything less than a bipartisan approach in the Senate will not result in success in passing this bill during this election year.

This bill represents the solution to a very difficult situation in which the United States finds itself. By successfully challenging the U.S. in the World

Trade Organization, first on the Foreign Sales Corporation provision, and subsequently winning another victory on its replacement, the Extraterritorial Income Exclusion, the European Union has put us in a very tight spot. I think most, if not all, of us believe we must honor our obligations under the World Trade Organization. After all, we were present at drafting of the WTO rules. WTO rules overwhelmingly manifest principles of commerce and trade we have advanced, and embody a system that benefits us. As a result, most rulings in response to appeals before the WTO have been decided in our favor.

Yet few of us, if any, are eager to raise taxes on our exporting companies. Because any kind of solution that merely replicates the tax benefits of the FSC and ETI provisions will be ruled as another impermissible trade subsidy by the WTO, we are in the uncomfortable position of having to create winners and losers among U.S. companies.

However, because of the trade sanctions that are already upon us, which are scheduled to increase by 1 percentage point each month that these provisions remain in our Tax Code, we have little choice but to repeal them. The choice we do have, I believe, is to choose to repeal them in a way that leads to the greatest potential for future growth in our economy—future growth in jobs, if you will, which is what this bill is all about.

One might say that in this situation, the Europeans have handed the U.S. and its economy a bushel of lemons. However, I am pleased to say that the bill before us does a pretty good job of turning those lemons into lemonade.

It does so by taking this opportunity to put forward provisions that would improve tax incentives for manufacturing activities in the United States. And it does so by putting forth provisions to reform and improve the tax rules that govern international trade.

Is this bill perfect? No. It isn't. Anytime you make lemonade, something has to get squeezed. In this case, there is unfortunately not enough revenue raised by repealing the FSC/ETI provisions to make everyone who loses those benefits whole. This is because we are forced to spread the benefits of the tax provisions we improve in this bill over a wider group of companies than those who have been benefitting from the export provisions.

There are several ways this difficult situation could have been addressed. The easiest way would have been to merely repeal the FSC and ETI provisions and not tried to replace them. Of course, this would have resulted in a \$56 billion tax increase on our economy, and one specifically targeted to American companies that are selling U.S.-made goods overseas.

I don't think anybody in their right mind would want to do that but that is what is going to happen if our friends keep playing games on the other side of the aisle.

Just as the tax cuts of 2001, 2002, and 2003 have been greatly beneficial to our economic growth, this tax increase would have been greatly detrimental to economic growth. I am happy to say that this bad idea was simply not an option considered in the Finance Committee.

Another approach might have been to repeal the export provisions and replace them with an across-the-board corporate income tax rate cut. This was an option brought up in the Finance Committee and we shall likely be seeing a floor amendment to do the same, if we can ever get back to this bill. While this idea has some merit and enjoys the virtue of being simpler to compute and administer, I believe it diffuses the tax benefits over too many businesses.

Such an idea, in my view, would create an undue hardship for many of the users of the export tax benefits in the current law. At a time when our U.S. manufacturers, who are, of course, our main exporters, are just recovering from a most difficult downturn, I do not think it is wise to hit them any harder than we have to with a net tax increase. Therefore, I will vote against any amendments to convert the tax benefits of this bill into a net corporate tax rate cut.

The situation handed to us by the Europeans also presents us with a rare opportunity to reform, in a limited way, some of the worst of the broken provisions that make up our international tax rules. These rules are badly outdated and are often harmful to U.S. companies engaged in an ever-increasingly global economy.

By enacting even a limited amount of reform, we can improve the rules and help all U.S. companies that face unfair tax competition with firms from other nations. Increasingly, even many small U.S. companies can and even must export their products. Therefore, many of the same companies that will be losing the FSC and ETI benefits under this bill will be gaining an increased ability to better compete internationally under the international tax reforms included in the bill.

I recognize that there are some Members of this body who do not readily recognize the need for this bill to improve the international tax rules. I have even heard some people intimate that improving these rules could encourage companies to move jobs offshore. I believe this is a phony argument based on a lack of understanding of the business world today.

In reality, business is done on a worldwide basis. Our firms are in competition with companies headquartered all around the world. We cannot close our eyes to this fact. To limit the ability of our U.S. businesses to compete fairly in the global marketplace might, at first glance, seem to some to add security for domestic jobs.

In the same sense, an ostrich sticking its head into sand might seem to think it has found security from dan-

ger. But, like that ostrich, a U.S. company that is effectively kept from competing in the global market will find itself far more vulnerable to danger, and could lose everything, including 100 percent of its jobs.

Our job is to do everything we can to help our U.S. companies succeed. We cannot change the fact that more and more of them compete in a worldwide market. So we should recognize it and help them deal with it. This means we must bring our tax rules up to date. Those who are unwilling to do so in the name of protecting U.S. jobs are just fooling themselves and failing to deal with the real world.

In conclusion, it is a tragedy that progress on this bill has been stopped. This is important legislation. It is too important for these political games that are being played on it. While there are many legitimate amendments that could and should be brought forward, we cannot afford to bog this issue down and stop progress on it. This bill is important for U.S. jobs. This bill is important for eliminating those trade sanctions that are even now pinching some U.S. industries and costing us sales and production. And, this bill is important for our long-term economic growth. I hope my colleagues on the other side will re-think their obstructionism and let us go forward with this important bill.

Let us be understanding. If the Department of Labor issues regulations and allows for a period of comment, we ought to at least allow that period of comment to finish and allow them to make the necessary changes the comments suggest—at least the good changes the comments suggest. We should not be playing political games here on the floor of the Senate on a bill we simply must pass because it will cost jobs not to pass this bill. In the end, it would be detrimental to our economy and our society at a time when we need help, at a time when we are losing manufacturing jobs. This particular bill will help. It will help greatly, and it will help keep the United States of America at the forefront as the premier nation in the world on jobs and economic growth.

To have our colleagues refuse to even allow debate to end on the floor by not invoking cloture just shows how far they will go to use the filibuster rule as they have on countless bills and judges through the years to stymie what really should be done in this very important body.

I think we ought to get rid of political games and start working on this bill in a way that will improve it, if we can, but not muff it so the House won't take it; and then we have to worry about whether we are going to even be able to get to conference, assuming we have two different bills from the House and the Senate.

I hope our colleagues on the other side of the aisle will not do that in this case, but we have seen it done in other

cases, and I suspect it could be done here, too, if the politics are right. I think that is what is driving an awful lot of the crap that goes on in this body. I hate to use that kind of language, but I don't know what else to call it other than crap.

Mr. ALLEN. Mr. President, I rise in support of an amendment submitted by Senator BINGAMAN and me to address a tax problem that makes the United States a less attractive location for international companies to build new operations here in the United States and thereby hire American workers.

As the U.S. economy emerges from a prolonged period of weak recovery, I believe it is important that the Congress seize the opportunity to enhance and improve the competitiveness of the United States as a location for new investment and job creation.

Investment in the U.S. from companies from Europe, Asia and Australia make a vital contribution to the American economy. In Virginia, we have investment from Europe such as Siemens, Framatome, Holtzbrink Publishing, Blueprint Automation, Drake Extrusion, Stihl, Porcher BGF Industries, Infilco Degremont, Maersk Container Services, DCS America, Volvo Trucks and BI Chemicals.

From Japan, we have investment in Virginia from Canon, Toray, Oji-Yuka Synthetic Paper, Yokohama Tire, NWB, "K" Line, Yupo, Dynax, and Sumitomo. From Canada, we have investment in Virginia from Maple Leaf Bakeries. From Australia, we have investment in Virginia from RGC Minerals and Industrial Galvanizers.

According to the most recent government data, U.S. subsidiaries of foreign-parented companies provide jobs to 6.4 million Americans and support \$350 billion in annual payroll. It is worth noting that 34 percent of these jobs are in the manufacturing sector—more than double the proportion of manufacturing jobs at all U.S. companies. U.S. subsidiaries pay significant taxes here—new IRS data shows that federal tax receipts from these companies totaled \$28 billion in 2000, 14 percent of all corporate tax payments.

This international investment coming into the U.S. has declined over the last few years, as the net inflow of foreign direct investment into the United States recently dropped from \$322 billion in 2000 to \$40 billion in 2002.

Unfortunately, our U.S. tax code raises the costs of financing for international companies who want to expand existing operations in the U.S. or build new operations to serve the North American or western hemisphere markets. The United States competes against other nations for locating such manufacturing operations. The cost of financing is part of the complex decision that these companies confront when considering where to locate a new operation. Our amendment would make building or expanding U.S. operations more attractive, while still keeping in place the strong safe-guards against potential abuses.

Section 163(j) of our U.S. Tax Code is intended to ensure that companies don't engage in the practice of "earnings stripping" when borrowing from a foreign related party, e.g. a parent and an affiliate. And yet the law also limits the ability to borrow from an unrelated third party with regard to a loan that is guaranteed by the foreign parent company, even though there can be no "earnings stripping" if an unrelated third party receives the interest payment.

The Bingaman-Allen amendment addresses this barrier to job creation in two ways.

First, it removes borrowing from a U.S. taxpayer or public markets, such as commercial paper, from the calculation of disqualified interest and ensures that the borrowing relates to public debt or is truly with an unrelated third party who is subject to U.S. tax on such interest income.

This provision has the added benefit of encouraging international companies to borrow from financial institutions that are subject to U.S. taxation or the commercial paper market strengthening the U.S. financial markets and bringing tax revenue into the U.S. Treasury.

Second, our amendment removes from the calculation of disqualified interest guaranteed third-party borrowing to the extent the taxpayer can demonstrate it could have borrowed without such guarantee. This improved provision is sound tax policy because it requires companies to prove that they could have borrowed without the guarantee, while permitting them to access a lower interest rate by reason of a parent company guarantee. The revenue impact of this provision is potentially small given that when a company receives a lower interest rate, they also have a smaller interest deduction.

Our amendment is necessary because current law on the ability to deduct interest creates a disincentive for Virginia companies like Infineon Technologies, a global semiconductor manufacturer to make additional investments in the United States. Without our amendment it will be more difficult for Infineon to invest in its 300 millimeter wafer semiconductor fabrication plant near Richmond, Virginia. At full build out, this facility could create more than 1,000 good paying technology jobs in the Commonwealth of Virginia.

Another Virginia company that is affected by the ability to deduct interest is Alcatel, the U.S. subsidiary of Alcatel, SA, a global 500 corporation organized in France. Alcatel manufactures communications equipment for business and carrier customers, and it currently employs over 4,500 Americans with manufacturing facilities in California, Texas, North Carolina, and Massachusetts and approximately 100 employees in Virginia. The broadband network equipment manufactured by Alcatel is deployed in the networks of

AT&T, SBC, BellSouth, Verizon, and Qwest, among others.

Alcatel has maintained a commitment to Northern Virginia's local economy through its operations in Reston, VA. As a multinational leader in telecommunications and Internet technology, it is important that Alcatel maintain this point of presence at the seat of our Nation's capital. Alcatel Virginia includes employees dedicated to providing administrative support, sales, human resources services, and senior personnel involved in Alcatel North America's Mobile Networks and Space Solutions Divisions.

Current laws on the ability to deduct interest could disallow the tax deduction of over \$50 million that Alcatel's U.S. subsidiary is contractually obligated to pay to its foreign parent corporation each year. Unless the current law is changed, we will dampen potential growth by Alcatel in Virginia and across the country by effectively increasing the taxation of a corporation, which has chosen to create jobs in the U.S. through investment.

I have three more examples of what this amendment will mean to Virginia:

Winchester, VA—M&H Plastics, a British company, plans to locate its first U.S. facility in Frederick County. The manufacturer of plastic bottles, caps and tubes for the personal care market will create 57 new jobs through a \$12 million capital investment. Virginia successfully competed with Georgia, North Carolina, Maryland and Canada for the project.

Leesburg, VA—WaveLight Laser Technologie AG of Erlangen, Germany has selected Loudoun County for its U.S. headquarters. Through a \$5 million investment, the company will create 30 new jobs. Virginia successfully competed with Illinois and Maryland for the project. WaveLight Laser Technologie AG, listed on the Prime Standard since January 2003, develops, produces and markets laser systems in the fields of ophthalmology, aesthetic surgery, urology and industrial applications. WaveLight's market success is based on its innovative laser systems that are technology leaders in their areas of application.

Virginia Beach, VA—STIHL Inc. plans to expand its operations in Virginia Beach. Through an investment of \$60.8 million, the company will create 200 new jobs. STIHL's investment includes the construction of a 228,000-square foot addition to its U.S. headquarters in the Oceana West Corporate Park. Virginia successfully competed with Brazil, China, and Germany for the project. STIHL manufactures the world's largest selling brand of chain saws and portable, hand-held, cut-off machines, as well as a complete line of outdoor power equipment for homeowners and professional users. STIHL Inc. is a subsidiary of German-based STIHL Holding AG & Co and one of seven manufacturing facilities in the STIHL Group.

Without the passage of the amendment sponsored by Senator BINGAMAN

and me, it will be much more difficult for any of these three job creation opportunities in Virginia to occur. The bottom line is that we need to remove barriers to international investment in our United States. This Bingham-Allen amendment will surely help achieve this goal. I urge my colleagues to join Senator BINGAMAN and me in supporting this common sense provision that will increase investment and jobs in Virginia and throughout our Nation.

Mr. President, I wish to speak in support of my Homestead Preservation Act that I have filed as an amendment to the underlying legislation to repeal the FSC/ETI tax regime. I do support this JOBS bill, which should be focused on helping U.S. manufacturers compete or increase American jobs.

This amendment would provide displaced workers access to short-term, low-interest loans to help meet monthly home mortgage payments while training for or seeking new employment.

This is commonsense, compassionate legislation designed to help working families, who through no fault of their own, are adversely affected by international competition.

Unfortunately, our economy has witnessed the loss of far too many manufacturing jobs over the last five years. It is important to note that these are the jobs that traditionally allowed working Americans to provide for their families, own a home, send their children to college and plan for retirement. All regions of our country have been touched in many manufacturing sectors. I share the concern my colleagues have expressed and share their commitment to stem this negative trend.

And while these are uneasy times for everyone, regions such as the southeast, midwest, northeast, and in southside and southwest Virginia, with heavy concentrations in manufacturing—especially the textile and apparel industries—have been especially hard hit. The textile and apparel industries have experienced a decrease in employment of 160,000 and 400,000 jobs respectively over the last decade.

While a portion of these losses can be attributed to expected contraction of the industry, experts have attributed much of the trend to increased international competition.

Fair and free trade is necessary if American businesses are to have the opportunity to promote their goods and services and continue to expand through growth abroad—NAFTA and recent trade agreements have created a net increase in U.S. employment.

But while trade is helping our economy as a whole, there are many good, hard working families, who have been adversely affected by international competition—especially in the textile and apparel industries, furniture and other manufacturing industries.

Anytime a factory closes, it is a devastating blow to all of the families and businesses in the community and re-

gion. While I was proud of the outstanding way the close-knit southside and southwest communities in Virginia came together to help those who lost their jobs, when companies like Pluma, Tultex and Pillowtex close their doors, the families of these communities should not be forced to go through these times alone.

I was so pleased to learn that after the Tultex plant closed in Martinsville in early December of 1999, people donated toys to the Salvation Army to make sure that Christmas came to the homes of the thousands of laid off workers.

With this amendment I am proposing that the Federal Government do its part to help Americans through these tough times.

Understanding no government program or assistance can substitute for a secure, well-paying job, I believe the U.S. government can reasonably assist families as they transition from one career to another. Presently, there are useful assistance programs that aid American workers seeking new employment, but unfortunately, there is nothing currently in place to protect what is usually a family's most valuable financial and emotional asset their home.

Two of the programs in place, the Trade Adjustment Assistance, TAA, program and the NAFTA Transitional Adjustment Assistance, NAFTA-TAA, program help workers get additional job skills training and employment assistance and provide extended unemployment benefits during job training.

In fact, once the doors were closed at the Pillowtex plant, the community and local government acted quickly to secure these benefits. Thankfully, Secretary Chao and the Department of Labor promptly responded to this request. Such quick action was much appreciated by these Virginians and North and South Carolinians, as it provided health insurance for their families, as well as resources for education and retraining to assist in finding a new job.

These programs are the result of the commonsense, logical conclusion that good, working people can lose their jobs because of trade—not because they did anything wrong or because they don't want to work. We ought to find a way to ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears.

While these hard-working folks are searching for appropriate employment, they should not fear losing their homes. For most people and families, their home is the largest investment they make in life. Many have considerable equity built up in their homes.

Government agencies already have low-interest loan programs in place to help families who have met with unexpected natural disaster like a hurricane, a flood or a tornado. When a factory closes, it is an economic disaster

to these families and their communities. The effects are just as far reaching and certainly as economically devastating.

Like a natural disaster, families displaced by international competition are not responsible for the events leading to the factory closings. In fact, after natural disasters families and communities rebuild with the assistance of the federal government. The economic disasters of plant closings do not share hope and revitalization.

The point is the Federal Government ought to make the same disaster loan assistance programs available to our temporarily displaced workers. This is my rationale for introducing the Homestead Preservation Act.

This legislation will provide temporary mortgage assistance to displaced workers, helping them make ends meet during their search for a new job. Specifically, the Homestead Preservation Act: authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition; the loan is for up to the amount of 12 monthly home mortgage payments; the program is authorized at \$10 million, per year, for 5 years; and distributes the loan through an account, providing monthly allocations to cover the amount of the worker's home mortgage payment.

The loans would be paid off or repaid over a period of 5 years. No payments would be required until 6 months after the borrower has returned to work full-time.

Additionally, the loan is available only for the cost of a monthly home mortgage payment and covers only those workers displaced due to international competition and who would qualify for benefits under the NAFTA-TAAP and TAA benefits programs, and participate in these programs.

Finally, my amendment would require that individuals seeking to avail themselves of the loan program be enrolled in a job training or job assistance program.

Like the NAFTA-TAAP and TAA benefits programs, the Homestead Preservation Act recognizes that some temporary assistance is needed as workers take the time to become retrained and further their education, expand upon their skills and search for new employment.

The current economic situation of our country has made it even more vital that the Federal Government do what is right by our workers in the manufacturing industries suffering high rates of job losses due to international competition. When these workers are displaced, meager savings and temporary unemployment benefits are frequently not enough to cover expenses that had previously fit within the family budget.

Without immediate help, these families, at the minimum, risk ruining their credit ratings and, in the worst-case scenario, could lose their home or their car, or both.

The Homestead Preservation Act would provide families a vital temporary financial assistance that would enable them to keep their homes and protect their credit ratings as they work toward strengthening and updating their skills and continue their search for a new job.

Hard-working Americans, facing such a harrowing and uncertain situation, ought to have a remedy available to help them. People need transitional help now.

The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get back on their feet and succeed—it is a logical and responsible response.

This measure garnered strong bipartisan support the last time it was considered by the Senate. I respectfully urge my colleagues to recognize the value Americans place on owning a home and support this caring and needed initiative.

MORNING BUSINESS

Mr. HATCH. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

Mr. HATCH. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

EUROPEAN UNION TRADE DECISION RE: MICROSOFT

Mr. FRIST. Mr. President, for some time now, the U.S. Congress has expressed its frustration over the European Union's intransigence on international trade issues that are vitally important to the U.S. economy. From overreaching attempts to regulate e-commerce, to trade barriers against American beef and other agricultural products, the EU has relentlessly pursued protectionist policies that disproportionately harm American businesses and workers. I now fear that the United States and EU are heading toward a new trade war—and that the Commission's ruling against Microsoft is the first shot.

For the most part, economic growth across the European Union has been meager during this decade. No doubt this is a by-product of the global economic slow down that began in the last year of the Clinton Presidency. But as the U.S. economy achieves record-setting levels of economic growth, Europe remains stagnant. Why? Because European economies are buried by public sector debt; European economies are drained of their vitality by excessive taxation; and European economies are strangled by excessive regulation from bureaucrats sitting in Brussels. Now, as if destroying Europe's economy were

not enough, the European Commission has taken aim at Microsoft, a company whose products and technology have been engines of global economic growth.

The Commission's ruling imposes the largest fine ever levied by the Commission against a company—over \$610 million. This fine was imposed despite the Commission's tacit admission that European law in this area is unclear, and even though Microsoft is already subject to legal obligations, under the U.S. settlement, for essentially the same conduct that was at issue in the EU proceedings. As a result, money that rightfully belongs to Microsoft shareholders will instead be filling the coffers administered by Commission bureaucrats.

The Commission's ruling also requires Microsoft to sell a version of Windows without multimedia functionality—i.e., one that cannot play audio or video. Thus, the ruling forces Microsoft to spend its energies not on developing new, innovative products, but on designing a degraded version of Windows—in short, a product that no one wants or needs. This preposterous demand, by a foreign government, will hurt one of America's most successful companies and harm the hundreds of American IT companies that rely on the multimedia functionality in Windows to offer their own innovative products and services—companies that are responsible for thousands of high-paying American jobs. As the New York Times noted in an editorial last Saturday (March 20), the Commission's demands “would threaten Microsoft's business model and, more important, harm consumers. The very definition of a computer operating system would essentially be frozen where it is today.”

In imposing this anti-consumer, anti-innovation penalty, the Commission has blatantly undercut the settlement that was so carefully and painstakingly crafted with Microsoft by the U.S. Department of Justice and several State antitrust authorities. There can be no question that the U.S. Government was entitled to take the lead in this matter—Microsoft is a U.S. company, many if not all of the complaining companies in the EU case are American, and all of the relevant design decisions took place here. Had the Commission been cognizant of America's legitimate interests in this matter, it would have acted in a manner that complemented the U.S. settlement. Needless to say, the Commission instead selected a path that places its resolution of this case in direct conflict with ours—and threatens the vitality of America's IT industry in the process.

The Commission's complete indifference to the negative impact of its ruling on American jobs, American consumers, and the U.S. economy—and its total disregard of the Department of Justice—are intolerable.

The European Commission has, of course, on many occasions paid lip

service to the importance of international coordination in the area of competition, and on the need for other countries to be sensitive to extraterritorial effects of their antitrust rulings. But actions speak louder than words, and with the Microsoft ruling the Commission appears intent on saying that it considers the Department of Justice, the U.S. courts, and principles of open and fair international trade largely irrelevant.

It is critical that the Departments of State and Justice stand up not only for an important American company, but also for U.S. industry, U.S. shareholders, and American workers. If the U.S. Government does not make a clear and strong statement objecting to the EU actions, we will lose influence and credibility for years to come to the detriment of the U.S. economy and U.S. consumers.

GARDNERVILLE, NEVADA, 125TH BIRTHDAY

Mr. REID. Mr. President, I rise today to wish the town of Gardnerville, NV, a happy 125th birthday.

Gardnerville was founded by Lawrence Gilman in 1879. Mr. Gilman had found a nice 7-acre tract of land on the East Fork of the Carson River, and he thought it would make a beautiful location for a town. So he decided to move his hotel, then named the Kent House, from Genoa, NV, to the new spot. John M. Gardner sold the 7 acres to Mr. Gilman for \$1,250. In gratitude, Mr. Gilman named the town after Mr. Gardner.

The Kent House was later named the Gardnerville Hotel and became a symbol for the town of Gardnerville—a new endeavor in an ever-changing world. Although the hotel no longer stands, you can still visit the humble beginnings of Gardnerville near the J & T Bar.

Mr. Gilman recognized that if he wanted to create a real town around his hotel, he needed to offer business amenities and leisure activities that would attract the ranchers in the area. So he added a blacksmith shop and saloon to his hotel. It wasn't long before local ranchers started coming into town, relaxing and visiting in the saloon while their horses were shod next door. Thus did Gardnerville begin its voyage down the path to prosperity.

By 1899, Gardnerville had blossomed into a thriving city. Almost everything a person might need could be found right on Main Street—two livery stables, a boarding house, three general merchandising stores, four saloons, one meat market, and two hotels, including the original Gardnerville Hotel that had started it all.

Gardnerville's emergence as an important social and commercial center was aided by the formation of the Valhalla Society in 1885. The purpose of the Valhalla Society was to provide information to immigrants, mainly those of Dutch descent. Gardnerville also