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Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, our helper and friend, set up Your throne in our hearts today and rule our spirits. Banish every evil emotion and desire. Direct our minds and thoughts to those things that are true, noble, just, pure, and praiseworthy.

Guide our lawmakers with Your might. Govern their actions so that they will live with integrity. Control their speech so that they will speak the truth with civility, humility, and moderation.

Help us all to so live that we may not be ashamed at Your appearance. And Lord, we also ask You to be near Dr. Richard Smalley, a Nobel Laureate, who is very ill.

All this we ask for Your love's sake. Amen.

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

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

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will be a period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning we will have a period of morning business which will allow Senators to come to the floor to make statements. I announced last night that there would be no votes today, and I do not anticipate a lengthy session. We expect to consider some executive nominations over the course of the morning, and we also will be able to consider any other cleared legislative items before closing.

On Monday, under our order from last night, we will begin consideration of the deficit reduction bill. I will have a few comments on that shortly. That bill does have a statutory 20-hour time limit, and we now have an order which divides that time over the course of Monday. Also, we have set out a time for Tuesday and Wednesday of this coming week. We will not have any votes during Monday's session, but Senators can expect a very busy week on that deficit reduction package. I will have more to say about the course of next week later today and will outline the voting schedule, as we know it, a little bit later this morning.

I congratulate, once again, Chairman SPECTER and Senator HARKIN for completing the work on the Labor-HHS appropriations bill last night. That was the final of our 12 appropriations bills to be considered by the Senate. Senator COCHRAN has done a tremendous job throughout the appropriations process, and we thank him for his efforts and his committee members for shepherding the bills through.

RECONCILIATION

Mr. FRIST. Mr. President, on Monday we begin consideration of the def-

icit reduction bill, a bill that goes by the title of a reconciliation bill. Indeed, it has been 8 years since we have addressed spending on a reconciliation bill, a critically important bill. It may well be the most important piece of fiscal legislation we will debate. I fully expect it will be enacted this year. For those who may watch this debate, I should be clear that the bill we will debate is focused on one piece of the Federal budget, not the entire Federal budget. It is, however, a major piece of the budget, mandatory spending. That word "mandatory," sometimes referred to as entitlement spending, represents about \$1.4 trillion or 56 percent of overall Federal spending this year. It will continue to grow in the future, particularly as that demographic shift occurs, as the baby boomers begin to travel through our system in 2008.

Mandatory spending, entitlement spending, encompasses a whole range of programs familiar to my colleagues—Social Security, Medicare, Medicaid, Federal-civilian military retirement, student loans, TRICARE, foster care, child nutrition, SSI, unemployment insurance, farm price support programs, veterans disability, and the list goes on. If Federal spending is to be controlled—and it absolutely must be controlled—over time, these programs are going to have to be addressed. They are going to have to be reformed.

Over the last 5 years, mandatory entitlement program spending has grown at an annual rate of over 7.1 percent. That is three times faster than the overall growth in our economy. It simply cannot be sustained. The result is a greater share of our national economy's productive capacity, that proportion of our productive capacity, is being shifted toward those programs. We have to find a balance. It is incumbent upon us to do so.

Under the procedures laid out by the Budget Act for considering this deficit reduction legislation that we will have on the floor beginning Monday, Tuesday, Wednesday, and Thursday of next

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



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week, Social Security, which is the largest of these mandatory programs, is set aside. It cannot, nor should it be, considered in this legislation. It cannot be. So realistically, the universe of Federal spending that we will be dealing with over the next week is limited to 33 percent or about a third of all Federal spending. That is where the focus will be.

The deficit reduction legislation we will be considering over the week is the culmination of a process that began in February, when the President gave us his budget. The President's budget included proposals to reduce the Federal deficit over the next 5 years by slowing the growth in Federal spending in this area of the Federal budget. Again, of the overall Federal budget, we are talking about a third of it that we will be addressing. The President's budget came over and said: We are going to slow that spending growth by \$26 billion.

The congressional budget resolution we adopted back in April similarly agreed that slowing that growth—and there is still going to be growth—in mandatory spending was an essential part of achieving not only deficit reduction but, not unrelated, being able to sustain economic growth. We want to achieve deficit reduction, but we want to be able to sustain economic growth. So to accomplish that goal, our 2006 budget laid out a process that has not been used in about 8 years. I believe it was in 1997 that we last had a spending deficit reduction package, a reconciliation process used on the spending side of the equation. It has been 8 years since we have used this process.

The budget we adopted directed eight authorizing committees in the Senate and in the House to make changes in laws within their jurisdiction to achieve a total of \$34.7 billion in savings over the next 5 years. That is what the budget told those eight authorizing committees to come up with. Subsequent to passage of our budget in the spring, we have had big, unanticipated spending demands that resulted from the worst hurricane season in the Nation's history. All of that placed added attention on spending and on Government spending. We responded to that appropriately, in a bipartisan way, by agreeing to delay consideration of the reconciliation process in early September so that we could focus on hurricane response and on the demands and on what the people who have been so directly affected by those hurricanes deserve. We have addressed the needs of the gulf coast families affected by the storms. We continue to address them. We did, indeed, in legislation last night. We will continue to do so in the future.

Indeed, within this reconciliation legislation, while at the same time meeting the goal of deficit reduction, we do so while also providing the needed medical attention, the education attention, and other Government bene-

fits to the victims of those hurricanes. We also recognize that because of the additional spending demands being placed on the Federal Government, we needed to do more in terms of deficit reduction itself, the deficit reduction we defined pre-Katrina, that we did need to do more.

In late September, I, along with the chairman of the Budget Committee, wrote to the chairmen and ranking members of the eight reconciled committees, the committees that will be responding with their proposals next week, asking them each to consider how they could come up with increased savings.

I am proud of the effort put forth by each of these eight committees. They have come forth with specific recommendations. Now that is what we are bringing to the floor of the Senate. They increased deficit reduction by nearly 13 percent so rather than \$35 billion, as required by our initial budget proposal from the early part of this year, the legislation approaches about \$40 billion, just under but almost \$40 billion in savings. I thank and applaud members of the various authorizing committees who have come forth with those increased savings.

I would be remiss if I did not point out that in many instances, the additional savings were accomplished on a bipartisan basis in many of the committees. Forty billion dollars in savings over the next 5 years is less than 2 percent of the \$2.6 trillion in mandatory spending that will occur over the next 5 years. It is tough to accomplish that. We will be debating that over the course of the week. But in truth, it is only 2 percent of the \$2.6 trillion in mandatory spending that is going to occur over the next 5 years.

There will be some who think this legislation does not go far enough to reduce spending. I personally would not disagree. There will be others who will come into my office saying it goes too far. I do disagree with them. Both proponents will have an opportunity, over the course of consideration of the bill, to amend the legislation to achieve whatever their objectives might be. I will be laying out that schedule later today.

Regardless of that debate, no one will deny that this is the first real effort in 8 years to slow down growth in mandatory spending. The chairman of the Budget Committee, Senator GREGG, and the ranking member, and the eight reconciled committees are to be congratulated for making the tough and difficult decisions they had to in bringing this bill to the Senate floor.

Finally, in balancing deficit reduction with all of the other demands that come to this body, the committees were careful not to place the burden of deficit reduction on the most vulnerable in our society. As a member of the HELP Committee, I personally thank Chairman ENZI and Ranking Member KENNEDY for meeting their deficit reduction requirement, while at the same

time providing a 10-percent increase in average grants to low-income students, with additional assistance for those students working toward a degree in math, science, engineering, and technology. While that committee achieved over \$16 billion in deficit reduction by eliminating banker and lender windfalls and special payments, it redirected some of those savings toward needy students.

Similarly, the Finance Committee, in meeting its instruction to achieve \$10 billion in deficit reduction, was able to redirect additional savings toward providing such things as \$1.9 billion to Medicaid recipients in the Gulf Coast States, nearly \$1 billion to expand Medicaid benefits to severely disabled children through the Family Opportunity Act, nearly \$100 million for the SCHIP program, and extension of expiring provisions that will provide over \$200 million to rural hospitals and sole community centers.

Another committee, the Commerce Committee, was able to direct a portion of its deficit reduction savings toward implementing E-9-1-1 emergency services as well as directing \$200 million toward coastal disaster assistance.

All of this is a first good positive step toward real mandatory spending reduction. Additional steps are being taken and will be taken to control the growth in the nonsecurity appropriations as we bring the 2006 appropriations process to a conclusion over the next couple of weeks as well.

We will apply fiscal discipline through the actions we take these coming weeks and we will continue to promote those policies that protect the needy while at the same time creating jobs and ensuring a growing economy.

Let us work together to keep America moving forward. I look forward to the debate next week and doing just that, working together to keep this country moving in a positive direction.

Mr. President, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Democratic leader is recognized.

BUDGET RECONCILIATION

Mr. REID. Mr. President, it is not often you see a spotlight shine on the differences between the two parties, between the Democrats and Republicans. This debate is that spotlight. This budget that is attempted to be reconciled is, as I have said on a number of occasions, an immoral budget. It hurts the poor and middle class. It makes all the rewards to those people who are already fat as a result of our system.

The Republican budget is fiscally irresponsible. It sets forth the wrong values and misplaced priorities. President Bush has the worst fiscal record in the Nation's history, taking a surplus when he was elected President from some say